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THE ROAD MAP: DETOURS AND DISENGAGEMENTS

HEARING BEFORE THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE ONE HUNDRED EIGHTH CONGRESS SECOND SESSION

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TUESDAY, JULY 20, 2004

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met at 9:33 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee), presiding. Present: Senators Lugar, Hagel, Chafee, Brownback, Biden, Dodd, Boxer, and Bill Nelson.

OPENING STATEMENT OF SENATOR RICHARD G. LUGAR, CHAIRMAN

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee is called to order.

The committee meets today to examine the new dynamics in the Middle East and their impact on the Israeli-Palestinian peace process.

Last February, our committee held a hearing on the Road Map that challenged the notion that progress toward peace could not be achieved before the United States election in November. Advancement of the peaceful two-state solution envisioned in the Road Map is urgently needed by the Israelis and the Palestinians and is critical to our own success in the global war on terrorism. Al-Qaeda and other terrorist organizations use the Israeli-Palestinian conflict to enlist fresh recruits to conduct terrorism across the globe. It offers enormous complications. We should continue to pursue without delay every opportunity to resolve this longstanding conflict.

The violent Palestinian uprising against the Israelis since September 2000 has cost both sides dearly. Nearly 1,000 Israelis and 3,000 Palestinians have died in the cycle of violence during the past 3 years. The economies of both Israel and the Palestinian Authority have been decimated. In Israel, exports have fallen from \$2.7 billion in 2000 to \$1.3 billion in 2003. The Palestinians' gross domestic product dropped 40 percent during the period, and unemployment rates have soared from 15 percent to between 20 and 30 percent in the West Bank and Gaza.

Recent developments in the region, however, have created the possibility for movement in the peace process. Israel's plan for unilateral withdrawal from Gaza and some West Bank settlements has changed calculations about what is possible. Egypt has taken a more active role in coordinating the disengagement plan with the Palestinians. Other nations, such as Jordan and Turkey, also have offered to facilitate the process. Today we want to examine in detail how the United States and the international community can take

advantage of the Israeli disengagement plan and other openings to make real progress on the Road Map.

The United States must determine how we can strengthen Israelis and Palestinians who are willing to support the disengagement plan. Surveys indicate that 65 to 70 percent of the Israeli population supports the disengagement plan, but others in Israel consider it “rewarding Palestinian terrorism.” Internal Israeli politics have been thrown into upheaval over this question. Prime Minister Sharon has risked his government to keep the disengagement plan alive, and is trying to form a new coalition with the Labor party to gain the Israeli parliament’s approval of the plan. Internal conflicts among the various Palestinian factions also are intensifying as they cannot agree on who takes control when the Israelis leave.

The Egyptians, fearing instability on their border, recently have renewed their efforts to work with the Palestinians on a cease-fire, as well as to help restructure Palestinian security forces. The Egyptians cannot succeed in these efforts alone. The United States and other members of the Quartet—the European Union, Russia, and the United Nations—must do more to buttress Egyptian efforts and ensure that the disengagement plan can be implemented. Jordan, Saudi Arabia, and perhaps other Arab nations also should contribute funds or personnel to help train and equip the Palestinians to take authority over areas from which the Israelis withdraw.

A sustainable peace settlement is likely to require additional international resources. We should explore how organizations such as the World Bank might develop a comprehensive settlement package as an incentive for the Palestinians and Israelis to move forward with the Road Map. In addition, the United States must work with our allies to stop the flow of weapons and financing, particularly from Syria and Iran, to those who continue suicide bombings and terror attacks.

Although many recent developments have the potential to help the peace process, the International Court of Justice’s non-binding advisory opinion condemning the Israeli security fence is not one of them. This decision does not help move the peace process forward, because it does not consider the realities of terrorism on the ground.

We welcome today two distinguished panels to discuss ongoing efforts to advance peace. First, we will hear from Ambassador David Satterfield, the Deputy Assistant Secretary of State for the Near Eastern Affairs Bureau. He was recently confirmed by the Senate as our new Ambassador to Jordan.

On our second panel, we will hear from Ambassador Dennis Ross, director and Ziegler Distinguished Fellow of the Washington Institute for Near East Policy. Ambassador Ross has written a new book on his experience as the chief Middle East peace negotiator for both President George H.W. Bush and President Bill Clinton, and we look forward to his insights. Also on our second panel, we welcome Dr. Abdel Monem Said Aly, director of the Al-Ahram Center for Political and Strategic Studies in Cairo and a visiting fellow at the Saban Center for Middle East Policy at the Brookings Institution; and Mr. Aaron Miller, president of Seeds of Peace and for-

merly Senior Advisor to the Secretary of State for Arab-Israeli negotiations.

We look forward to these insights and recommendations of our distinguished witnesses. I will call now upon the first of these, Ambassador Satterfield. Would you please proceed.

STATEMENT OF HON. DAVID M. SATTERFIELD, DEPUTY ASSISTANT SECRETARY OF STATE, BUREAU OF NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Ambassador SATTERFIELD. Thank you, Mr. Chairman. I would like permission to have my written remarks entered into the record, and I have a brief statement I would like to make.

The CHAIRMAN. Your comments will be published in full, and that will be true for each of our witnesses today.

Ambassador SATTERFIELD. Thank you, Mr. Chairman.

I am very glad to have this quite timely opportunity to speak with members of the committee. I have just returned from a trip to the region where I met with Egyptian, Jordanian, Israeli, and Palestinian officials to discuss those issues which you raised in your opening remarks. It is clear, as you have noted, that we are, once again, at a potential watershed moment in the Middle East peace process. We are indeed seeing more positive activity than we have witnessed for almost a year, as Israel refines its own plan to withdraw from Gaza, and the international community strives to ensure that this withdrawal leaves Gaza able to move forward in an orderly fashion toward economic viability and prosperity and the critical issues of security and political reform.

Security, of course, Mr. Chairman, is the No. 1 issue. The increasingly chaotic security and political situation in Gaza over the past few days only underscores, even more strongly than before, the need for genuine, not merely rhetorical steps for security reform and leadership transformation in the Palestinian Authority. Cosmetic changes in leadership, cosmetic changes in the structure of security services are not enough. What counts, the only thing that matters, are changes on the ground.

In order to reestablish, or to establish for the first time in a great while, true law and order in Gaza, in order to put a lasting stop to terror and violence, the Palestinian Authority must consolidate the security forces under a single, empowered and accountable leadership and propose credible clean candidates to head those services.

Resolving the Israeli-Palestinian conflict remains one of this administration's highest foreign policy priorities. Prime Minister Sharon's plan to disengage from Gaza offers a real opportunity, a genuine chance, to restart progress on the Road Map and move the parties forward toward realization of President Bush's vision of two states, Israel and Palestine, living side by side in peace and security.

As plans for Gaza disengagement move forward, the issue before the United States, the Quartet, and the broader international and regional communities are how to prepare the Palestinians to take the necessary steps to ensure the smooth and orderly transition in Gaza so necessary for lasting success not only during but the day after disengagement.

Egypt is indeed working, Mr. Chairman, very closely with both Israelis and Palestinians and planning and preparing for the quite difficult security aspects of Gaza withdrawal, and as I noted at the outset, recent events make the necessity of these preparations crystal clear. Both sides, Israelis and Palestinians, have welcomed Egypt's helpful role, and the United States and the Quartet have expressed our full support for Egypt's engagement.

The international community is focusing on continuing efforts to provide assistance and to promote Palestinian reform. Although Palestinian progress in these areas has been extremely slow, there have been some successes, significant successes, in the areas of fiscal and budget accountability and transparency, and the Palestinian Authority has announced its intention to begin phased municipal elections before the end of the year. We are ready to assist the Palestinian Authority in the preparations necessary to hold these free and fair elections.

International aid efforts to the Palestinians continue to be crucial. The humanitarian plight of the Palestinian people, as you noted, Mr. Chairman, is very real and has in some cases been exacerbated by the building of the Israeli separation barrier. Israel has the unquestioned right to defend itself. However, we do have concerns. When the construction of this barrier appears to prejudge final borders, it leads to confiscation of Palestinian property or imposes humanitarian hardships on Palestinian lives and livelihoods. The recent Israeli High Court of Justice ruling that portions of the barriers route around Jerusalem must be altered to ease those hardships on Palestinians show that Israel itself recognizes these issues. This ruling is binding on the Israeli Government unlike the recent International Court of Justice opinion to which you referred.

Gaza disengagement, rather than the Road Map per se, has been the focus of attention since the beginning of this year. That disengagement, along with practical steps to reform the institutions of the Palestinian Authority, has the real potential to reenergize the peace process and get the sides back on track. Disengagement, conducted properly with appropriate support from the regional and international community, does offer a chance to move the parties back to a political process closer to realization of the ultimate goal to which the Road Map is a path and to which each side has committed themselves, two states living in peace and security.

Thank you, Mr. Chairman. I will be happy to take your questions.

[The prepared statement of Ambassador Satterfield follows:]

PREPARED STATEMENT OF AMB. DAVID M. SATTERFIELD

Thank you, Mr. Chairman. I'm glad to have this timely opportunity to speak with members of the Committee, as I was just in the region ten days ago. We are—once again—at a potential watershed moment in the Middle East peace process. We are seeing more activity and movement than we have seen for almost a year, as Israel refines its plan to withdraw from Gaza; and the Palestinians, along with the international community and regional partners such as Egypt, strive to ensure that this withdrawal leaves Gaza in a position to progress in an orderly fashion towards economic vitality, and security and political reform.

Resolving the Israeli-Palestinian conflict remains one of this Administration's highest foreign policy priorities. Prime Minister Sharon's plan to disengage from Gaza offers a real opportunity to restart the Road Map and move the parties toward realization of President Bush's vision of two states, Israeli and Palestinian, living side by side in peace and security. For the first time ever, Israelis proposing to evac-

uate settlements from the West Bank and Gaza. It is an historic decision for Israel, and one President Bush fully supports. But it needs to be done in such a way that it is consistent with a process that leads to peace and security for Israel, and to a viable, contiguous, democratic state for the Palestinians.

According to the disengagement plan, all settlements and certain military installations would be removed from Gaza, and four settlements would be removed from the northern West Bank. The Israeli Cabinet has approved this plan in principle. I don't want to underestimate the domestic difficulties still facing Prime Minister Sharon: he is currently engaged in discussions to secure the political base necessary to proceed with disengagement.

As plans for Gaza disengagement move forward, the issue before the U.S., the Quartet, and the broader international community is how to prepare the Palestinians to take the necessary steps to ensure a smooth and orderly transition in Gaza. We are engaged in intensive planning and discussion of practical matters of security, Palestinian political reform, and economic and humanitarian assistance.

Security, of course, is the number one issue that needs to be addressed. The Quartet envoys met with Palestinian Prime Minister Qurei two weeks ago, and stressed to him the need to take concrete action, particularly on security, in order to seize the opportunity presented by an Israeli withdrawal from Gaza. In all honesty, I must tell you that there has been very little preparation or movement on the part of the Palestinian Authority to take these steps. But we will continue to push them, because as Israeli withdrawal from Gaza draws closer, it becomes increasingly vital that the PA be prepared to take over and maintain law and order and stability in Gaza.

Egypt is working closely with both the Israelis and Palestinians in planning and preparing for Gaza withdrawal, particularly the difficult security aspects. Both sides have welcomed Egypt's helpful role, and the United States and the Quartet have expressed full support as well. The Egyptians have been very clear with the Palestinians on their expectations for security reform, and have pushed them to take those steps quickly. Egypt has also committed to provide training and assistance, including on the ground in Gaza, to the restructured Palestinian security services. In addition to this, Egypt has worked closely with Israel on the critical questions of Gaza border security. We are pleased at the level of cooperation the two sides have shown, at both the political and operational levels, and the trend is definitely going in the right direction. While recent cooperation between the two sides has been good, there is much more that needs to be done.

The Quartet envoys also met this month with international representatives of the Local Aid Coordination Committee and the Task Force on Palestinian Reform to discuss their continuing efforts to provide assistance and promote Palestinian reform; and preparations are underway for a meeting in September of the Ad Hoc Liaison Committee of major donors to assess Palestinian Authority progress on reforms. Again, Palestinian progress in this area has been extremely slow, although there have been some notable successes in the areas of fiscal accountability and transparency, and in the implementation of a direct-deposit payment system for *all* PA security service salaries. The PA has announced its intention to begin municipal elections sometime before the end of the year, and the U.S., along with the Quartet, is ready to assist the PA in the preparations necessary to hold free and fair elections. We would like to see the established independent election commission play a role in organizing and regulating this election process.

Given the continued desperate state of the Palestinian economy in Gaza and the West Bank, international aid efforts are crucial. The humanitarian plight of the Palestinian people is very real and has, in some cases, been exacerbated by the building of the Israeli separation barrier. Israel has the unquestioned right to defend itself, however we do have concerns when the construction of the barrier appears to pre-judge final borders, leads to confiscating Palestinian property, or imposes further hardship on Palestinians. Israel itself is starting to address this issue: the Israeli High Court of Justice ruled last month that portions of the barrier's route around Jerusalem must be altered to ameliorate the hardship it imposes on Palestinians. This ruling is binding on the Israeli government, unlike the recent International Court of Justice opinion that found Israel's separation barrier to be illegal. We have said from the beginning that this referral to the ICJ was inappropriate and was likely only to impede efforts towards a negotiated peace between Israelis and Palestinians. Our position on that has certainly not changed, and we are now eager to refocus attention where it should be—on Gaza withdrawal and practical steps to reform the institutions of the Palestinian Authority. These are the types of efforts that will reenergize the peace process and get the Road Map back on track.

It is true that the Road Map has been stalled, with neither party having fulfilled its commitments under Phase I. Most crucially, the Palestinian Authority has not

put a stop to violence and terror. Without an end to brutal acts such as suicide bombings, there can be no progress towards peace. Israel also has obligations under the Road Map, and has promised to fulfill the commitments Prime Minister Sharon made to President Bush at Aqaba last year to dismantle unauthorized outposts and establish parameters for a freeze on new settlement construction. The Deputy National Security Advisor met with PM Sharon last week in Israel, and Sharon reiterated his determination to dismantle unauthorized outposts and take steps to ease the humanitarian situation of the Palestinian population.

Gaza disengagement, rather than the Road Map per se, has been the focus of attention since the beginning of the year. Disengagement indeed offers a real opportunity to make progress in the seemingly endless quest for peace in the Middle East. However, it is also an opportunity to move back to a political process. Israeli disengagement from Gaza, done properly and with appropriate support from the international community, has the potential to move both parties to the conflict closer to realization of the ultimate goal to which the Road Map is a path: two states, living side by side in peace and security.

Thank you. I'll be happy to take your questions.

The CHAIRMAN. Thank you very much, Ambassador Satterfield.

We have two distinguished panels today and therefore we will have rounds of questions with both. I would suggest with our first panel that we limit ourselves to 8 minutes this morning. Others may join us, and if there are additional questions, why, members may have a second chance.

I will begin the questioning, Ambassador Satterfield, by asking you to try to sketch out for me and for others how this business of disengagement may leave the Palestinian territory. When the Israelis move out of areas who will be in charge? How can efficient, stable, secure governance occur?

One answer is that the Palestinian Authority will do that. People will come in and assume their proper roles and provide this security. As a result, some would say that this is not that complex a question. The two-state situation happens. One state on one side and the other state on the other.

But for some reason, there are a good number of witnesses—we heard some in February—who do not believe that disengagement is this simple. This is why the question of Egypt or other nations is injected. For a while some other nations that are friendly to the Palestinian Authority may have to serve in a trusteeship function, although clearly with recognition that they will leave, and that they are not there as permanent trustees. They are there helping people for the moment. This may help shore up a Palestinian group that can, in fact, negotiate a two-state settlement, or a solution to the crisis, as opposed to what is often suggested on the Palestinian side, that there is no stable group that is really able to effect decisions, to come to agreements.

Now, in your own mind's eye, how do you see this working in an optimum way? As Israeli settlers withdraw—and as we have both indicated, we applaud the courage of the Prime Minister in moving in that direction—it is a very controversial issue in Israel. At the same time, apparently that is the way things are going to move. How do things become secure territorially and stable and strong, so there is a negotiating partner to make an agreement?

Ambassador SATTERFIELD. Mr. Chairman, there are three principle issues that need to be addressed to ensure that both the conduct of disengagement or withdrawal from Gaza, whether on the military or civilian settler side, is successful, and as or more importantly, to ensure that the day after disengagement and withdrawal,

what emerges in Gaza is a stable, sustaining entity from a security, political, and an economic standpoint. Those three areas, security, political structures, economic structures, are the critical areas of focus that we, the Quartet, and the international community have been focused upon with the Palestinians, with the Israelis, and on the security issue, with the principal actor right now, Egypt.

To take security first, because that is the primary issue, that challenges, the successful stable conduct of disengagement and the day-after disengagement, it is quite clear that for Israel's unilateral decision to withdraw from Gaza to be a success, success in its conduct, success in its results, there has to be a stable environment on the ground. We very obviously do not have that stable environment today. That was true before the events of this past weekend. It is certainly true following.

There needs to be a comprehensive end to violence and terror. There cannot continue to be targeting of Israelis, whether in Gaza or the West Bank or in any other points, if this process is to unfold to the benefit of both Israelis and Palestinians. And we do see it to the benefit of both sides.

Egypt has been engaged as an interlocutor with the Palestinians, as well as with the Israelis, to try to see what is necessary, what it can do to bring about that establishment or reestablishment of security, bringing about of a comprehensive end to violence and terror through its work with the Palestinian factions. And in its work with the Palestinian Authority and its leadership, including Arafat, Egypt has sought to pass the exact message which we and others clearly in the Quartet have been passing.

For the Palestinians' own sake today and for their future, for the sake of the goal of two states, which the President has espoused, there does need to be an end to violence and terror. For that to happen, the Palestinians have to take responsibility at long last for the situation on the ground.

The Egyptians have endorsed and have strongly advocated the restructuring of Palestinian services from the many disparate branches that exist today into three primary services, a civil police, a national security force or internal security force, and an intelligence service, and to have clean leadership, which then responds to an empowered civil leadership in charge. Now, that sounds very simple, Mr. Chairman, but that has been a major challenge which we, the international community, the Quartet have been advocating unsuccessfully for quite a long while now. We very much hope that Egypt's efforts bring about the success that is so necessary on this issue.

Egypt is prepared to do more than simply talk with both sides. Egypt is prepared to deploy forces to its side of the Gaza border to help address the issue of smuggling more effectively than has been done in the past. Egypt is also prepared—and both Palestinians and Israelis have welcomed this offer—to send trainers and advisors to Gaza itself once disengagement is being conducted. And these are very important steps on offer from the Egyptian Government. We wish them the best. But Palestinians, at the end of the day, Mr. Chairman, have to respond.

Now, on the political side, there does, indeed, need to be a Palestinian leadership in Gaza which is capable and competent to as-

sume control of events there as and after withdrawal of Israeli forces and with Israeli settlers occurs. Those structures do not exist today or they exist only in fragmentary and nascent form.

We and our partners in the international community have been strongly urging on the Palestinians for years now the institutional and structural reforms necessary to prepare Palestinians not just for the ultimate goal of statehood, but for assumption of responsibility over their own affairs in areas where Israeli forces have withdrawn, as is the case now pending in Gaza and in the West Bank. And we will continue to do what we can to focus Palestinians and encourage and support Palestinians in that reform and leadership transformation process.

Now, the final but by no means least important issue here is the question of economic stability in Gaza. The international donor community has been quite generous in the support that it has offered Palestinians over the years, but that support for the past 3 years has been largely focused on immediate humanitarian issues. We need to go back to providing support in a structured fashion for long- and medium-term infrastructure development, for the long-term economic viability of Gaza and the West Bank. We will be engaging with the donor community over the time ahead, particularly with the World Bank and the Ad Hoc Liaison Committee, which groups principal donors, to see that these efforts reach fruition. We are contemplating, Mr. Chairman, a meeting of the Ad Hoc Liaison Committee at the end of September to continue the focus of donors on these issues. If the situation on the ground permits from a security and a political standpoint, we would look at a major donor effort either at the end of this year or the beginning of next year to provide the necessary assistance in a structured, accountable manner for the Palestinians.

The CHAIRMAN. How many people are in Gaza, and how many will be there after the Israeli settlers leave?

Ambassador SATTERFIELD. There are approximately 7,000 Israeli settlers in Gaza today. The Prime Minister has proposed a complete withdrawal of all Israeli settlers and all Israeli settlements. What the disposition is of specific physical settlement infrastructure remains to be discussed and remains to be determined.

The CHAIRMAN. But in the rest of Gaza, how many people? Are there other people or have the 7,000 occupied the whole territory?

Ambassador SATTERFIELD. The total is really civilian settlers present. There are a number of IDF deployments in Gaza. That is a number that fluctuates from time to time. The Prime Minister has said that in principle Israel would like to withdraw all of its military forces from Gaza. Whether in fact forces remain in a particular area adjacent to the Egyptian border or not is largely, Mr. Chairman, a product of what security arrangements are ultimately put in place.

The CHAIRMAN. I thank you.

I want to recognize now the distinguished ranking member of the committee, Senator Biden, for his opening statement.

OPENING STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.,
RANKING MEMBER

Senator BIDEN. Thank you, Mr. Chairman. I would ask unanimous consent that my entire statement be in the record. I apologize. I was coming from another meeting.

The CHAIRMAN. It will be published in full.

Senator BIDEN. Mr. Chairman, our hearings, to state the obvious—and I imagine the witness has already indicated it—take place in the backdrop of new turmoil in Gaza within the Palestinian leadership. A power struggle is underway, as competing factors vie for control ahead of Israel's withdrawal within the next year. And another Palestinian Prime Minister has come close to following on the heels of Abu Mazen by tendering his resignation because of Arafat's unwillingness to cede control, especially in security areas. Today reports indicated that he has reluctantly rescinded his resignation.

The one bright spot possibly in an otherwise bleak picture is that Egypt is trying to prevent a security and political vacuum from emerging by demanding, as our witness has indicated, a consolidation of Palestinian security services under a new leadership, offering to train those forces and to station monitors in Gaza, and planning to beef up security along the border, and promoting a cease-fire and a dialog between the Palestinian factions.

But in order to move forward with its commitment, my understanding is that Israel—and this is what I would like to talk to the witness about at the appropriate moment—has three basic demands, as I understand them: first, that there be a complete Israeli withdrawal from Gaza and that includes the security forces; second, that the Palestinians and Israelis agree on how to prevent provocative acts from leading to a cycle of escalation that would undermine Egypt's role; and third, that there is light at the end of the tunnel by firmly tying disengagement to implementation of the Road Map. I would like to hear from the Secretary on how the administration views these Egyptian ideas, assuming I have accurately portrayed them.

Mr. Chairman, a solution in the Middle East is as obvious as it is elusive. We all know that any viable peace agreement will have a few key components. Israel will have to abandon most of the settlements on the West Bank and the Palestinians will not be able to exercise their right of return but to Palestine. That, it seems to me, is the core of the bargain. More than two-thirds of the people on both sides consistently say that they favor a two-state solution, but the problem is neither side seems to believe the other is committed to the means to accomplish that solution.

Events in recent days demonstrate that the main obstacle to peace, at least in my view, is the absence of a responsible Palestinian leadership. But the unprecedented challenge to Arafat's leadership may offer—and I would like to talk about this as well—a possible opening to advance key political and security reforms which are critical to getting the peace process back on track.

Last year our country and Israel missed another opportunity, in my view, by not supporting Prime Minister Abu Mazen more actively. Clearly he was prepared to challenge Arafat, but at the end

of the day, he was discredited by his inability to deliver any improvement in the lives of ordinary Palestinians. That suited Mr. Arafat, in my view, just fine for it seems to me that he seems to thrive on the suffering of his own people.

Mr. Chairman, the direction the Israeli-Palestinian conflict takes will have a direct bearing on the key strategic issues our country faces from the war on terrorism, to the promotion of democracy, to success in Iraq. And the stakes are very high.

Yet, I do not see any commensurate level of urgency or sustained and consistent involvement by the Bush administration. My hopes were raised last year when President Bush traveled to the Middle East and put his personal prestige on the line. He appointed a diplomat to "ride herd on the process." He cajoled. He rallied, and yes, he even bullied. And I supported him in all his efforts. For a few short months, there was hope, at least in my view, of progress, but then the interest level seemed to wane in the Middle East, which presents a formidable challenge to even full-fledged peace efforts that overwhelmed what soon became a half-hearted effort.

Ever since, instead of American leadership creating new opportunities, events on the ground have driven our policy. Prime Minister Sharon took a bold initiative with his disengagement plan. Egypt steps in and works on a plan to fill the vacuum. And where is American diplomacy? It is not as if we have the luxury of time.

Iraq's new government is struggling to establish its authority in the face of violence that continues unabated. Democracy promotion in the Middle East appears to be stuck as the two key regional players, Egypt and Saudi Arabia, stayed away from the G-8 summit, and the terrorists have found a gold mine of recruiting in the discontent and anger that spans the Arab and Muslim worlds.

It seems to me we have to view the Arab-Israeli conflict in the context of this volatile strategic climate, and it explains why making progress has never been more important. I am not suggesting there is any easy solution to the Arab-Israeli conflict. If there were, it would be solved by now. Nor am I suggesting that American leadership alone can solve it. The Arab states, the Palestinians, our European friends, and the Israelis must step up to the plate, and they have not sufficiently done so in my view. But only American leadership can synchronize those efforts and begin to move this gigantic rock up the hill again.

Promoting peace and securing Israel requires hard work day in and day out, as our witnesses can attest. And benign neglect, punctuated by episodic engagements, imperils America's strategic interest in the region. We have no choice but to be involved and the central element of my questions today to all the witnesses will be to what degree and how should we be involved. What should we, the United States, be doing more proactively, if anything, that we are not doing now?

I thank the witness. I apologize for not being here at the opening of his testimony, and I look forward to hearing his answers to questions. I thank you.

[The opening statement of Senator Biden follows:]

OPENING STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

Mr. Chairman, thank you for calling this hearing. I look forward to Secretary Satterfield's testimony.

I'm also eager to hear from the second panel. Ambassador Ross led American diplomacy on the peace process for a decade. Aaron Miller was his colleague in that effort and continues to promote conflict resolution through the important work of Seeds of Peace. And Dr. Said Aly has been a long-time voice of reason as head of one of the Arab world's most respected institutions.

Our hearing takes place against the backdrop of new turmoil in the Gaza Strip and within the Palestinian leadership. A power struggle is underway as competing factions vie for control ahead of Israel's planned withdrawal next year.

And another Palestinian Prime Minister has come close to following on the heels of Abu Mazen by tendering his resignation because Chairman Arafat is unwilling to cede control, especially in the area of security. Today, reports indicate that he has reluctantly rescinded his resignation.

The one bright spot in an otherwise bleak picture is that Egypt is trying to prevent a security and political vacuum from emerging by demanding a consolidation of Palestinian security services under new leadership, offering to train these forces and to station monitors in Gaza, planning to beef up security along the border, and promoting a cease-fire and dialog between Palestinian factions.

But in order to move forward with its commitment, my understanding is that Egypt has three basic demands. First, that there be a complete Israeli withdrawal from Gaza. Second, that Palestinians and Israelis agree on how to prevent provocative acts from leading to a cycle of escalation that would undermine the Egyptian role. And third, that there is light at the end of the tunnel by firmly tying disengagement to implementation of the Road Map. I'd like to hear from Secretary Satterfield how the administration views these Egyptian ideas.

Mr. Chairman, the solution in the Middle East is as obvious as it is elusive. We all know that any viable peace agreement will have a few key components—Israel will have to abandon most settlements in the West Bank, and Palestinians will NOT be able to exercise the right of return but to Palestine. That, it seems to me, is the core of the bargain.

More than two-thirds of the people on both sides consistently say that they favor a two-state solution. The problem is that neither side believes the other one means it.

Events in recent days demonstrate that the main obstacle to peace is the absence of responsible Palestinian leadership. But the unprecedented challenge to Chairman Arafat's leadership may offer a possible opening to advance key political and security reforms which are critical to getting the peace process back on track.

Last year, our country and Israel missed another opportunity, in my view, by not supporting Prime Minister Abu Mazen more actively. Clearly, he was prepared to challenge Arafat, but at the end of the day he was discredited by his inability to deliver any improvement in the lives of ordinary Palestinians. That suited Mr. Arafat fine—for he seems to thrive on the suffering of his own people.

Mr. Chairman, the direction the Israeli-Palestinian conflict takes will have a direct bearing on the key strategic issues our country faces—from the war on terrorism, to the promotion of democracy, to success in Iraq. The stakes are very high.

Yet I don't see a commensurate level of urgency, nor sustained and consistent involvement from the Bush administration. My hopes were raised last year when the President traveled to the Middle East and put his personal prestige on the line. He appointed a diplomat to "ride herd." He cajoled, he rallied, and, yes, he even bullied. And I supported him in all his efforts.

For a few short months there was hope and progress. But then, the interest level seemed to wane, and the Middle East—which presents a formidable challenge to even full-fledged peace efforts—overwhelmed what soon became a half-hearted effort.

Ever since, instead of American leadership creating new opportunities, events on the ground have driven our policy. Prime Minister Sharon took a bold initiative with the Disengagement Plan; Egypt steps in and works on a plan to fill the vacuum. Where is American diplomacy?

It is not as if we have the luxury of time. Iraq's new government is struggling to establish its authority in the face of violence that continues unabated. Democracy promotion in the Middle East appears to be stuck as two regional players—Egypt and Saudi Arabia—stayed away from the G-8 summit. And the terrorists have found a goldmine of recruiting in the discontent and anger that spans the Arab and Muslim worlds.

We have to view the Arab-Israeli conflict in the context of this volatile strategic climate. And it explains why making progress has never been more important.

I am not suggesting that there is an easy solution to the Arab-Israeli conflict. If there were, it would be resolved by now. Nor am I suggesting that American leadership alone can solve it. The Arab states, the Palestinians and our European friends must step up to the plate, and they haven't thus far, in my view. And the Israelis will have to meet their responsibilities as well. But only American leadership can help synchronize these efforts and begin to move this gigantic rock up the hill again.

Promoting peace and securing Israel require hard work—day in and day out—as our witnesses can attest. Benign neglect punctuated by episodic engagement imperils American strategic interests in the region. We have no choice but to be involved.

The central question I will ask of all the witnesses is: to what degree and how should we be involved. What should we be doing pro-actively that we are not doing now.

The CHAIRMAN. Thank you very much, Senator Biden.

Senator Chafee.

Senator CHAFEE. Thank you, Mr. Chairman. Welcome.

In your statement, Mr. Secretary, you said that “Israeli disengagement from Gaza, done properly and with appropriate support from the international community, has the potential to move both parties to the conflict closer to realization of the ultimate goal to which the Road Map is a path: two states, living side by side in peace and security.”

Now we have a ruling by the International Court—and I know the position of the administration. It should not even have been there. But nonetheless, we have our allies, Norway, the UK, Holland, China, Russia, all who sit on this court, advising us to be more involved in the construction or the route of this barrier.

How do you reconcile your urging us to get the support from the international community in your statement in order to move the Road Map forward while not adhering to what they are saying on the International Court?

Ambassador SATTERFIELD. Senator, if I could respond first to Senator Biden's question. You had asked in the closing part of your question, Senator, what would we do, what should we do to best advance this process? What we should do is continue to articulate, as clearly, as explicitly as we can, directly to the parties through private conversation and publicly, the vision that lays out there for both sides of peace, lasting peace, and of genuine, enduring security and the pathway that takes them to that goal. We have done so. We have articulated not only the goal, two states, but the Road Map to that goal, a pragmatic, practical approach which requires both sides to engage in phased and sequential obligations and responsibilities, both to each other and to the achievement of the ultimate objective of a lasting, sustainable peace.

Now, the parties themselves do, indeed, have the primary responsibility for taking the steps, and they are painful steps. They are steps that require courage and sustained leadership in order to be meaningful, in order to work. They have the prime responsibility, but we do have to remain engaged. Our diplomatic engagement has not wavered over the past months, over the past year since the President's disengagement in Aqaba and Sharm el Sheikh. We have been in touch not only directly with the parties on a continuing basis. In the course of the last month, Assistant Secretary Burns, Deputy National Security Advisor Hadley and I have all traveled to the region and there will be further such travel

in the weeks and months ahead. But we have also remained engaged with our international and regional partners.

Senator BIDEN. Was there a reason why Sharon did not see you?

Ambassador SATTERFIELD. The meeting was not sought. This was an operational meeting, Senator, to meet with Palestinian leadership both individually and with a Quartet combined meeting and to talk about technical issues relating to withdrawal with Israeli officials, and no other reason than that.

We continue to be engaged with the international community, with our Quartet partners to assure a unified voice on the need for security steps, on the need for reform, and with Israel our message has been very clear. Israel too has obligations and responsibilities, humanitarian and political, including on the settlements issue, both steps toward a settlement freeze and the elimination of settlement outposts.

These are not easy issues, Mr. Senator, as you referred to. They are difficult. But they need to be advanced because if Gaza withdrawal is to be successful, it must occur in a context, not alone. It cannot be Gaza first and Gaza last. Gaza withdrawal, as we have emphasized and will continue to emphasize, must be seen squarely in the context of return to progress on the Road Map toward the two-state vision, and we see that as possible. We see it as achievable, but it is going to require efforts by the Palestinians on security and leadership transformation. It is going to require efforts by Israel in Gaza and the West Bank that address the humanitarian, political, and economic issues that are so critical to the goals we are trying to see achieved.

You have asked first, though, about Egyptian contributions to this policy. We believe Egypt is indeed a key player here on security, and we are committed to supporting Egypt's role. What does Egypt need? Egypt needs a secure environment in Gaza. It needs an environment in which whatever advisors or trainers it sends can do their work free of attack, free of danger. That is a goal we all support.

The answer on how you achieve that situation is a meaningful cease-fire, a meaningful end to violence and terror, an end to the kinds of actions that precipitate a continued destruction of lives, continued destruction of property. We see it as doable. And Egypt is working in these months, prior to withdrawal, to see that that is achieved.

The CHAIRMAN. Let me now just sort out the situation for a moment. I appreciate those excellent responses to my colleague's questions. We will restore to Senator Chafee his full time, and then just for the sake of argument, I will then recognize Senator Boxer, Senator Dodd, and Senator Biden on this side for additional questions, with Senator Hagel, intervening between these folks.

Senator CHAFEE. They will follow me.

The CHAIRMAN. Yes. Now, Senator Chafee, you are restored to your rightful place.

Senator CHAFEE. Should I repeat my question? No.

Ambassador SATTERFIELD. Senator, we indeed need the support of the international community. We need it in two different ways. We need their positive engagement and support as we move ahead, to speak with a unified voice, not many disparate voices, about the

need for the critical performance by the Palestinians on security and leadership. We need their support in our engagement with Israel in a way that encourages Israel to take the necessary steps to move forward. The Quartet is the embodiment of the international will on these issues, and we have been remarkably successful in our engagement with the Quartet over the course of the past 2 years in trying to close off the different voices, the disparate voices that so often led to confusion.

But we need the international community's support in another way. We need an avoidance of the sorts of unprofitable, unconstructive efforts such as the International Court of Justice ruling that only complicate efforts to see peace achieved. Our position on the ICJ consideration of this case has been made very clear, and we had support from our critical partners in the international community on this before the court took this issue. We do not believe it is an appropriate issue to be addressed by the ICJ. The United States will not support any purported endorsement of that ICJ ruling and we are working with our partners, both in the Quartet and more generally, to mobilize a support against an unhelpful resolution in the General Assembly or an unhelpful, counterproductive resolution that may be brought to the Security Council.

You had raised, Senator, the issue of the participation of judges from those countries that we have relied upon for support in this process. My understanding, Senator—and I will defer to our legal experts on this—is that those judges, once they are appointed to the ICJ, function in an independent fashion which does not necessarily reflect the foreign policy and the national policy of their countries of origin.

Senator CHAFEE. Going back to Senator Biden's statement that a year ago, almost exactly a year ago, there was so much optimism coming out of Aqaba—and you alluded to it yourself—and Abu Mazen coming here, and as Senator Biden said, we did not deliver for him so he could deliver to his people. I remember him coming a year ago and saying please help me, and he had three issues, the settlements, the continued expansion of the settlements, the construction of the barrier, the route of the barrier—it is not the construction. I want to make that clear. It is the route—and also the holding of prisoners without charges.

At that time there was the cease-fire, the hudna, if you will, a 7-week period of no violence, relatively no violence. And now the International Court which is, as you keep mentioning, the Quartet—here they are—the United Nations, the European Community. Here we all are, and they are 14 to 1 urging us to address the route of this barrier. It seems to be still difficult for us to make progress without taking this ruling into consideration. I know the Israeli court has ruled, but if it is still going to be built beyond the Green Line, I think that is where the controversy is.

What is our official position on that, the building of it outside of the Green Line?

Ambassador SATTERFIELD. Senator, we have expressed strong concern over the routing of the fence where it impacts humanitarian or human issues, the lives of Palestinians, the livelihoods of Palestinians, where it produces the confiscation of Palestinian land,

and when that course impacts, prejudices the outcome of permanent status resolutions.

The Israeli High Court judgment is a significant event. It is being taken quite seriously by the Government of Israel, and while I would defer to them, in terms of the ultimate choices which they are now forced to make with respect to the routing of the fence, our hope is that the High Court judgment produces changes on the ground which rectify, which address these concerns which we and others have addressed for so long. Israel does, indeed, have the right to defend itself, including through construction of a security barrier. But where the course of that barrier has the impacts that I described, there are real concerns here, which the administration will continue to address.

We do not see that the ICJ judgment is a constructive judgment. Indeed, we have significant problems on the substance of the judgment and the manner in which the court took on this issue. We believe the Israeli High Court, its decisions, and the response of the Israeli Government to those decisions offers the best potential for serious addressing of this question.

Senator CHAFEE. That all having been said, we could argue some of those points, but if we are going to get the international community, as you say in your statement, on our side, is this not a factor? If we are going to have the Quartet, if we are going to have the international community helping us here, whether it is the Egyptians or anybody else that might not have been part of this ruling, do you not think we have to be stronger on the route of this barrier?

Ambassador SATTERFIELD. I believe, Senator, we have been quite strong on the routing of the barrier. Our concerns have been made very clear by all U.S. Government interlocutors to the Government of Israel. They understand the President is concerned over the routing of the barrier and its impact both on permanent status negotiations and on Palestinian lives.

We see the ICJ judgment, though, as only affording an opening for unhelpful, provocative resolutions in the General Assembly and potentially in the Council, which have very little to do with advancing the cause of peace. We are confident that appropriate steps will be taken by the Government of Israel to address the routing-related issues, but we are not prepared, Senator, to support in any way the findings of the ICJ in this regard.

Senator CHAFEE. Even if that means lack of participation on the Road Map.

Ambassador SATTERFIELD. Senator, I do not believe in practice, indeed I am quite confident in practice, that whatever positions may ultimately be chosen in General Assembly debate or Council debate on this particular issue, the ICJ judgment, that we will continue to have the engagement and support of our critical partners in the region and in the international community through the Quartet and elsewhere for the Road Map.

Senator CHAFEE. I have got a few seconds left. Do you know—and maybe I am putting you on the spot—where in specific do you take exception to the court's ruling?

Ambassador SATTERFIELD. Two different issues primarily. One is procedural. For the court to take up an issue—

Senator CHAFEE. OK. Beyond that. I know that argument. Anything beyond that?

Ambassador SATTERFIELD. On the substance, we believe this is essentially a political issue to be resolved by agreement of the parties in negotiations, not for resolution by a judicial council or judicial body.

Senator CHAFEE. Thank you.

The CHAIRMAN. Thank you very much, Senator Chafee.

Senator BOXER.

Senator BOXER. Thank you so much, Mr. Chairman and colleagues, for holding this hearing.

Ambassador Satterfield, I want to talk to you about suicide bombing. In March 2003, the Bush administration released the performance-based Road Map to a permanent two-state solution to the Israeli-Palestinian conflict, and that is the subject of this hearing. But I think very key to this is for the Palestinians to declare an unequivocal end to violence and terror and undertake visible efforts on the ground to arrest, disrupt, and restrain individuals and groups conducting and planning violent attacks on Israel. The Palestinians were further required to rebuild their security apparatus and begin sustained, targeted, and effective operations to confront all those engaged in terror.

Unfortunately, Palestinian leaders have not changed the atmosphere—this is my view—in which suicide bombers continue to operate, and one gets the feeling that suicide bombers continue to be viewed as heroes in the Palestinian world. I believe as long as suicide bombers are viewed as martyrs and their photos are worshipped by the community, any Road Map, regardless of all its intentions—and Lord knows we all support this—is not going to work because that was the whole point. There had to be an end to the violence.

I think sometimes when we talk about all these issues dealing with negotiations and so on and the shape of the table, we forget to put a face on what this has meant. Last September, Dr. David Applebaum and his daughter Nava were killed when a suicide bomber blew himself up in a Jerusalem cafe. I will never forget that story. For whatever reason, it just touched every bone in my body as a parent. Nava was to be married the next day. Her father simply wanted to share a meal with his daughter before giving her away. Instead of a wedding with hundreds of guests, there was a funeral with thousands of mourners. Over the past 4 years, 1,000 Israelis have been killed in similar attacks.

Senators Allen and Brownback joined me a few years ago in a bipartisan amendment that said there was no justification for suicide bombings and the world should condemn them. Suicide terrorism cannot be used as a negotiation tool. And that is why we must insist on Palestinian leaders to reform their security forces and dismantle the terrorist groups that support suicide terrorism.

So my question, Ambassador Satterfield, is, can you comment on Arafat's refusal to take on this issue of suicide bombing head on? And do you see anyone in the Palestinian community who will step up to the plate on this issue? After all, think of what they are losing on the Palestinian side, young, vibrant people, who are blowing

themselves up, and that loss is palpable. So I need to hear from you where you see this whole issue of suicide bombing right now.

Ambassador SATTERFIELD. Senator, I certainly agree both in your outlining of the requirements for progress on the Road Map, for progress toward a two-state solution, but also the very unfortunate judgment which we fully share of the lack of progress that has been made on the critical issues not only of an end to violence and terror, but also an end to the atmosphere, the culture of incitement of grievance which feeds so much of what takes place on the ground. Far too many Israeli and Palestinian lives have been, continue to be, and will be lost in this process unless there is a coming to grips with this fundamental issue.

With respect to the leadership of the Palestinians, clearly there is a continuing need for a structure of Palestinian leadership, both political and security, which is free of the taint of violence and terror, which is committed to taking the courageous, sustained steps necessary to speak out against the phenomenon of violence, whether it is suicide bombings or any other form of violence and terror. That leadership has not been able to express itself. That leadership has not been able to take effective steps on the ground. This is what we are advocating, a reformed Palestinian leadership, a reformed structure of Palestinian security services in Gaza and the West Bank that are capable and willing to take steps.

Now, Senator, we have not advocated—and we say this very often—the Palestinian Authority to take measures which are beyond its physical scope and grasp. It is not what is being asked for today. It is not what was being asked for when Abu Mazen was Prime Minister or when Abu Allah took office. We are asking for reasonable, doable, achievable steps to be taken that send the message to the Palestinian people that this leadership is serious, that it will not tolerate violence and terror. It will not tolerate the further suffering of Palestinians through these phenomena. Now, that leadership has to emerge. If it does not, it will not be possible to advance this process. It will not be possible to see the successful conclusion of Gaza disengagement in the way that we all wish to see it, as a step back toward the two-state goal and a step forward for the Palestinians. It has to be done.

Senator BOXER. Well, I just want to make a point here and the reason I stressed the suicide bombing aspect is if we are ever going to get a change, it seems to me this is an example where we can build some kind of a worldwide ethic against suicide bombing. I guess what I would urge the administration and future administrations of both parties is—I remember when the first woman suicide bomber blew herself up, and at that time I was in charge of a committee here and Senator Chafee and I had a hearing about that phenomenon. It just seems to me there is so much to be done, but this area of young people blowing themselves up, men, women, youngsters and killing dads and daughters who were having a cup of coffee to discuss marriage, that there is something there where we could, in fact, reach the mothers on both sides of the dispute.

I am just trying to figure out a way to break through from all the diplomatic talk. By the way, you do it very well and you are very good at it. But when I read it back, it is diplomatic talk. You talked about coming to grips with the fundamentals and so on. I

just think we need to somehow break through and put a more human face on what is happening.

While I have one-half a minute, I ask you one more question, and that is about the Egyptians. According to reports, Egypt proposed sending 150 to 200 police officers to train a Palestinian force of 30,000 to provide security in the Gaza, but the offer is contingent upon Arafat handing over control of security forces to Mr. Qurei. Now, I know that you met on July 8 with Egyptian Presidential advisor Al-Baz to discuss the situation in Gaza. Where does this Egyptian offer stand following this weekend's events in the Gaza?

Ambassador SATTERFIELD. The Egyptian offer continues to be there and the Egyptians and the Israelis, the Egyptians and the Palestinians continue their direct parallel discussions on these issues. Egypt's commitment to do what is necessary both on its side of the border, as well as in Gaza, in the context of withdrawal, remains very much a critical element for us, for the international community, and for Israel.

Senator BOXER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Boxer.

Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you. Ambassador Satterfield welcome.

How significant do you believe the events of the past few days in Gaza, in particular, have been in regard to demonstrations against Arafat? It seems that there is some connection now—and this is really the question—between the people wanting a government that is honest, direct, can negotiate, and further to that point, it seems that there is an element of the Palestinian people that is starting to understand that unless they get that, their future is and will continue to be in doubt. Am I reading too much into what we have seen in the last few days? If you would, sort that out for us. Thank you.

Ambassador SATTERFIELD. Thank you, Senator.

We agree with that latter part of your statement that there is a significant number of Palestinians who are sickened by the ongoing destruction, deterioration, and violence, who are sickened by the lack of leadership capable and willing to address their needs and to help them advance their aspirations, supported by the United States and the international community, toward a life very different from that that they lead today.

I wish I could tell you, Senator, that the events of the past 3 days represent a genuine movement toward reform, toward structural changes, toward leadership transformation. But while those events are still, in some fashion, going on, I think our judgment is this represents more of an internal clash between personalities than it does a fundamental shift on the critical, structural, and leadership issues, which we, the Quartet, and Egypt have all insisted upon.

We would hope that the opportunity continues to present itself, and the opportunity will be taken to make those changes. But I think it would be overreading the situation, as we understand it today, Senator, to see in Gaza's events that particular positive phenomenon unfolding.

Senator HAGEL. Thank you.

You mentioned in your remarks and in your response to some questions here this morning that the Quartet is dealing with a post-Israeli pull-out of Gaza in the way of economic reform, economic restructuring, all the social dynamics that are going to have to be thought through and put in place.

Specifically, do we have plans now that we are working through for economic reform, specific areas of not just the economic potential and framework and infrastructure, but connect that to the humanitarian? Thank you.

Ambassador SATTERFIELD. Yes, Senator. We have been very successful over the course of the past several years in helping to see put in place a very accountable and transparent budgetary process in the Palestinian Authority. That has been of enormous encouragement to the broader international donor community. We are, indeed, working on a concerted plan with the World Bank and with the international donor community on what will be necessary, post-Gaza withdrawal, to address both urgent, emergent humanitarian needs and longer-term infrastructure development requirements.

The World Bank has produced an excellent study of the priorities for the donor community and for the Palestinians with Gaza withdrawal. On the basis of that report, we, Israel, the Palestinians, and the core leadership of the donor community will be moving ahead in the days and weeks ahead. We have had several meetings on this subject. The next major gathering will occur probably at the end of September with a meeting of the Ad Hoc Liaison Committee. We would hope that events would support, by the end of this year or beginning of next, a major donor conference, a pledging conference to focus on those needs which the bank has so correctly identified.

Senator HAGEL. Thank you.

In your opinion, what are the prospects of an Israeli-Syrian track being developed to deal with a peace process? In that regard, has the Syrian Accountability Act helped, hindered, neutral? What effect has it had or not had on the Israeli-Syrian peace prospects and Syria's role in this area?

Ambassador SATTERFIELD. Senator, we see little indication that an activated Syrian-Israeli negotiating track is likely in the near or predictable future. Syria's behavior on critical areas of concern to the United States, support for, encouragement of facilitation of the work of terrorists on its own soil, Palestinian, Iranian, Hizballah, has not diminished. These concerns led the administration, along with concerns over Syria's conduct with respect to Lebanon and conduct with respect to securing its border with Iraq, to imposition of sanctions under the accountability act earlier this year.

I believe the act is having impact in terms of its affect on the Syrian economy and the Syrian financial sector, but it has not yet, Senator, produced palpable changes in any of the critical areas of concern, Iraq, Lebanon, or the questions of terror.

Very frankly, if Syria does not move forward in ways that send a signal to the Israeli people and to the Israeli Government that they are prepared, as other parties have been prepared, to enter into peace negotiations without using the card, as they refer to it,

of terror, as a lever to be wielded, I do not see a realistic chance of these negotiations beginning any time soon. We would hope that for the sake of the Syrian people, for the sake of their hope in a comprehensive peace, which President Bashar al-Assad has recently espoused, the Syrians recognize that the time has passed for the use of terror and violence as a corridor or pressure point in negotiations.

Senator HAGEL. Would the Gaza disengagement plan be helped by a new Likud labor coalition government in the Israeli Government?

Ambassador SATTERFIELD. Senator, I hope you will respect my right to decline an answer to that question, which is really a matter of internal political concern to the Government of Israel.

Senator HAGEL. There seems to be—and you have alluded to this in some of the discussion here this morning—a significant reduction in terrorist attacks in Israel over the last few months. Is that attributable mainly to the barrier in your opinion?

Ambassador SATTERFIELD. Senator, when we address the issue of a decline or relative decline in the number of security attacks, there are really two issues here. Have there been attacks successfully conducted? And there, yes, the number has declined.

Has there been a decline in the number of planned operations? There the issue is much murkier. The problem with the cease-fires of the past with the periods of quiet, so-called, in the past has been in fact there has not been a diminution in the number of planned operations. There has just been a more successful effort to confront them and stop them before they succeed.

I am afraid that those operations continue to be planned. There continue to be efforts to attack Israel. Certainly there have been a number of factors involved in the diminution of successful attacks. The leadership of Hamas, of Islamic Jihad has been very severely affected by Israeli strikes.

But what is critical and how we will define a true cease-fire, a true end of violence and terror is when we see planning for attacks, not just successful attacks, ceased.

Senator HAGEL. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Hagel.

Senator Dodd.

Senator DODD. Thank you very much, Mr. Chairman, and let me express my apologies as well to you and the committee for arriving after the testimony was provided by our first witness.

But let me thank you again, Mr. Chairman. I think this is a very important hearing to have today on the status of the Road Map and it is important that we take stock of where we are in all of this.

It has been said by others but I think deserves being repeated. Just to go back briefly in the recent past history, it was only a few short months ago, really when you think about it, that the entire world I think believed that peace between the Israelis and the Palestinians was imminent. We had the cooperation on security and economic spheres. It was helping to stabilize the life for the peoples of both Israel and Palestine. Cooperation was in no small part, in my view, due to the laser-like attention the Clinton administration paid to this issue, particularly the efforts of Dennis Ross.

Then we saw things begin to really fall apart. The last-ditch peace talks, of course, collapsed. You had the second intifada erupted. Yasir Arafat provided tacit, if not very direct, support for terrorist attacks against Israel. As Senator Boxer has pointed out, 1,000 innocent people have lost their lives as a result of suicide bombers. Corruption in the Palestinian Authority paralyzed its institutions, and that is an ongoing saga that does not seem to have any end in sight. Suicide bombings became almost a daily occurrence, and Israel's justified needs for self-defense required an approach that increased difficulties in the day-to-day life of Palestinians in my view. Tragically these two peoples who had devoted so much energy to the peace process—nothing seemed further away from the goal of peace, as we now close out end of this year 2004.

In 2003, of course, the Road Map was picked up on and sets forth some principles, the Quartet and all of the like.

I was struck by a statement made by a witness we are going to hear from shortly, Mr. Chairman, by Dennis Ross in an interview he gave a few weeks ago, and I will ask him about it when he appears. But he said in that interview—what should they do was the question, and he said you need an enormous amount of effort to resolve these issues. The U.S. cannot expect to swing by the region every couple of months, make a couple of phone calls, and all be well. An ongoing, intensive effort is needed. Third, we need to engage in a peace process again. Right now we have a dialog of violence not words. To end this conflict, you need to get back to the latter.

Senator Biden has asked this question. You gave a rather facile answer, Mr. Secretary. But the fact of the matter is, for many of us, we seem to have been just occasionally showing up on this issue, and not that I expect the United States necessarily to assume the responsibility for all that has occurred, but the failure for us to be as engaged as directly as we have been in the past seems to me to have contributed at least in small part, if not larger part, to the situation that presently exists.

Tell me why you think I am wrong on that conclusion and why others hold that same view?

Ambassador SATTERFIELD. Senator, this administration has articulated, for the first time in U.S. history, a goal, a goal of two states, Israel and Palestine, beyond simply articulating that vision and the further definition of how you get there, how you get to the end of the occupation that began in 1967 through direct negotiations, and has put out a Road Map, a Road Map which has full international and regional support and that has been endorsed by both sides, a Road Map that takes into account the sharp deterioration in trust and confidence, indeed the absence of trust and confidence between the parties, which existed when this administration took office. It has posed realistic, pragmatic, and practical steps for both sides to take, some in parallel, some sequential that bring the parties back to a point, with broad international support, to the ability to discuss the difficult permanent status issues between them.

Senator DODD. But we do not seem to have any broad international support here. We find ourselves more and more isolated. I do not disagree with your response to Senator Chafee, though,

but we are getting more and more isolated on this issue and Israel seems to be getting more and more isolated on the issue as well. How do we explain this? I mean, 4 years here. This thing is getting worse, not better. There does only seem to be an occasional interest in the subject matter, not the kind of intensive, laser-like fashion that you need to have if you are going to play a constructive role here.

Ambassador SATTERFIELD. Senator, I do not believe that the United States and its position on what is necessary to get to the two-state goal is in fact isolated. It is quite the opposite. We have broad international consensus behind us. The Quartet represents in its meetings, in its own engagement on the ground an expression of that international consensus behind our efforts.

With respect to the situation on the ground, you are quite right, Senator. The situation is very bad. It has been a progressive deterioration. But I would challenge very respectfully the accusation that somehow a lack of attention on the part of the United States has been responsible for the continuing breakdown in this process.

Senator DODD. I said in part. I did not say all obviously. I accept the fact that there are others to share a lion's share of the responsibility, but we certainly cannot avoid the conclusion that this sort of casual participation in all of this has in my view at least—and others may share this view—contributed to the situation.

Ambassador SATTERFIELD. Senator, this issue, the Palestinian-Israeli crisis has had the attention of the President, the National Security Advisor, the Secretary of State throughout all of this painful period. And there have been a constant series of exchanges here in Washington, in the region with all of the key leadership, as well as with the parties, private and public—

Senator DODD. Well, let me ask you very specifically. The President appointed a Special Envoy, John Wolf, to deal with this issue. Now, he retired several months ago. Has anybody been named to replace him, for instance?

Ambassador SATTERFIELD. Mr. Senator, John Wolf was head of our monitoring and compliance mission, but a monitoring and compliance mission needs something to monitor and compliance to judge. The parties themselves did not take the necessary steps on the Road Map in order to provide the progress necessary for that monitoring role to function.

Senator DODD. Well, you are making my case, it seems to me, here. So we get rid of the person. We get rid of the office. We give up?

Ambassador SATTERFIELD. No. We remain committed, Senator, to trying to advance this process. It is why we have seen in the Prime Minister's Gaza disengagement proposal an opportunity, one of the very few opportunities the last several years have presented, to break this cycle downward, to get back to the process through a unilateral decision by Israel, but a decision whose implementation will require broad support and broad engagement, back to the Road Map, back to the two-state goal. We do not, in any way, challenge the gravity of the situation.

What I would challenge is whether the administration has been responsible for this failure to move forward to the goal of two

states. In the end, the parties are responsible for their actions or inactions, Senator.

Senator DODD. Well, I appreciate your answer, but I must say it is not satisfactory to this member. And I appreciate your defense of the administration, but it seems to me we have seen anything but the kind of attention that I think this issue has merited over the last 3½ years.

I am anxious to hear the other witnesses, Mr. Chairman.

I am not laying this all at the doorstep of our witness here this morning, but you are the representation of the administration. And as far as this Senator is concerned, this has been a failure, a failure in my view. There is a vacuum here, and the vacuum of leadership on the part of the United States I think has contributed to what we are seeing today.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Dodd.

[The prepared statement of Senator Dodd follows:]

PREPARED STATEMENT OF SENATOR CHRISTOPHER J. DODD

The Senate Foreign Relations Committee has convened this morning to discuss a vitally important issue: the status of the Road Map to peace. I thank the chairman for holding this hearing, which is an opportunity to refocus attention on the Road Map—an issue that we ignore to the detriment of both Israelis and Palestinians. I would also like to welcome the distinguished witnesses here with us today, Ambassador Satterfield, Ambassador Ross, Dr. Aly, and Mr. Miller. I trust that they will provide us with valuable insights.

Only a few short years ago, the entire world believed that peace between Israel and its Palestinian neighbors was imminent. Israeli-Palestinian cooperation in the security and economic spheres was helping stabilize life for both peoples. This cooperation was in no small part the result of the Clinton administration's laser-like focus on this conflict, including and especially the efforts of Ambassador Ross.

But then everything seemed to fall apart. Last-ditch peace talks were unsuccessful. The second intifada erupted. Yasir Arafat provided tacit, and many would argue, direct support to terrorist attacks against Israel. Corruption in the Palestinian Authority paralyzed its institutions. Suicide bombings became an almost daily occurrence. And Israel's justified needs for self-defense required an approach that increased the difficulties of day-to-day life for Palestinians. Tragically, for the two peoples that had devoted so much energy to the peace process, nothing seemed farther away than their goal of peace.

In April 2003 the Bush administration took an important step toward a long-overdue re-engagement in the region, when it worked along with the EU, UN, and Russia to craft the Road Map. The Road Map sets forth principles to ensure security for Israel's citizens. It also holds out the promise of a sovereign Palestinian state, if the Palestinian Authority takes certain concrete actions.

Now, more than a year later, little progress has been made toward implementation of the Road Map. Commendably, Israeli Prime Minister Ariel Sharon is pushing forward with his plan for Israeli disengagement from the Gaza Strip, a move which many agree is a step toward full implementation of the Road Map.

However, instability and corruption continue to paralyze the Palestinian Authority [PA]. Domestic Palestinian dissatisfaction with cronyism in the PA played a large role last year in forcing Yasir Arafat to create the post of Prime Minister. But his refusal to give up the reins of power was arguably the major factor contributing to the resignation of the first Palestinian Prime Minister, Mahmoud Abbas.

There is now a new Palestinian Prime Minister, Ahmed Qureia. But the situation has remained largely the same, and Prime Minister Qureia submitted his resignation to Arafat just last weekend. Although he has since rescinded his resignation, tensions remain high between the two.

Indeed, frustration with corruption at the top of the Palestinian hierarchy seems to have reached a high-water mark—frustration on the part of the Egyptians, the UN, and the Palestinians.

Despite significant efforts on the part of the Egyptian Government to help prepare the Palestinians for a Gaza withdrawal, Yasir Arafat has continued with his usual delay tactics. Only recently and following threats by the Egyptians did he consoli-

date about 12 disparate security services into three organizations. And while this consolidation was called for under the Road Map, it appears that Arafat retains authority over these services.

This same frustration prompted UN envoy Terje Roed-Larsen, in a move that is unusual for UN officials, to harshly criticize Arafat for the lack of support he has given to Egyptian efforts in Gaza. It is quite telling that Mr. Larsen was promptly declared persona non-grata in the Palestinian territories.

Palestinian frustration with corruption in the PA has also been increasing and seems to have culminated over the past week, when Yasir Arafat appointed his cousin, Moussa, to be the head of one of the newly-formed security services. In response to this appointment, three prominent Palestinian security officials resigned and thousands rioted in Gaza. The appointment and resulting chaos in Gaza also led the Palestinian Prime Minister to tender his resignation. While Moussa Arafat's appointment has now been annulled, this frustration threatens to boil over.

Many Israelis and Palestinians would agree that we are at a critical juncture here. That is why it is so important for the U.S. and the international community to remain engaged. Significant progress in the Middle East has historically come only when the U.S. is consistently engaged, and at the highest levels.

Therefore, the U.S. should now assist the Israeli Government in implementing its disengagement plan, which is essentially a part of the Road Map, and which the majority of the Israeli public supports. And we should continue to provide Israel with all appropriate resources to protect its people. Commensurate with reforms in the Palestinian Authority and actions against terror, we should also help the Palestinian people build the institutions that they will need to realize the end-goal of the Road Map, namely a sovereign Palestinian state.

The U.S. should also provide Egypt with the proper support for its efforts, while at the same time insisting that it take meaningful steps to shut down tunnels used for weapons smuggling between Sinai and Gaza. That will contribute to Israeli and Egyptian security, and it will cut off a vital artery to terrorist groups, and thus instability in Gaza.

Finally, the Bush administration should take heed of some trenchant comments, written by Ambassador Ross in a recent Op-Ed. In that Op-Ed, he wrote "The U.S. cannot expect to swing by the region every couple of months, make a couple of phone calls, and all will be well. An ongoing, intensive effort is needed." For the sake of millions of Israelis and Palestinians, who dream of peace and who deserve to realize that dream, I urge the administration to make that effort.

Again, I thank the chairman for convening this hearing. I look forward to asking some questions of our witnesses.

The CHAIRMAN. Let me explain to Senator Nelson that I recognized earlier Senator Biden for his question period at this stage. I will recognize him now and then you.

Senator BIDEN. No. That is all right.

The CHAIRMAN. You will yield to the Senator? All right. Senator Nelson.

Senator BIDEN. No. I have already had a bit of a round. Please go ahead.

Senator NELSON. Well, Mr. Chairman, before I ask my question, I want to tell a story that is relevant to this situation and my question. That was, prior to going to Israel and visiting with the Israeli Government and the Palestinian Authority, I had visited with the President of Egypt and his head of security, General Suleiman. General Suleiman told me to confirm with the Palestinian Prime Minister that he, General Suleiman, had just visited with Arafat and that Arafat had assured him—now, this is January—that within 2 weeks, that he was going to appoint a new security chief. So I carried that message from General Suleiman to Prime Minister Qurei, and he kind of smiled and said, maybe 2 weeks, maybe 52 weeks. Of course, what he was saying is what we see today, that either Mr. Arafat is unwilling or incapable of bolstering up the security for the Palestinians.

So in light of that, my question is in the chaos that is enveloping, do we see the Egyptians entering in and trying to provide some stability, and if not, what about NATO?

Ambassador SATTERFIELD. Senator, we do indeed see the Egyptians engaging in quite extraordinary efforts to try to move the Palestinian leadership, working at the level of the most senior officials, including Arafat, and also working at the level of the security commanders, to confront and take those steps necessary to move forward on security.

Prime Minister Abu Allah's comment to you in January, 2 weeks, 52 weeks, is indeed indicative of the problem he, we, and the Palestinian people face. There has been a failure of leadership and I would attribute it, frankly, Senator, to a failure of will, not capacity to move. Those in responsible positions in the Palestinian leadership, including Chairman Arafat, have failed to take steps they are quite capable of taking for the benefit of the Palestinian people, and that failure has harmed the Palestinian people in the past and continues to do so today.

Egypt is playing an exceptional role here and we want to see that role continue to move the Palestinian people forward.

Senator NELSON. Well, instead of the international terrorist groups completely taking over, do you see some optimism with regard to the Egyptians stepping in?

Ambassador SATTERFIELD. I think the Egyptians are perfectly prepared and have discussed quite openly with the Palestinians and Israelis a supportive role on security, but if your question, Senator, refers to Egypt assuming political control in Gaza, that is not an issue at all.

Senator NELSON. I am talking about security.

Ambassador SATTERFIELD. On security, Egypt is not in a position to take over except in terms of security on its own borders in the Sinai. What it is able to do is to provide very significant encouragement, support, and direction for Palestinian security forces to assume their responsibilities, and that is the role that we very much hope can be played.

Senator NELSON. Well, when Israel starts its withdrawal from Gaza—look into your crystal ball—is there going to be any subsiding of the violence?

Ambassador SATTERFIELD. For withdrawal to be a success, there will have to be preexistent an end to violence and terror on the ground. There will have to be a significant change in the structuring of the Palestinian security forces. That is in order to make this all work. Do I think it is possible? Absolutely, Senator. I think it is indeed possible. But it is going to require leadership decisions taken by the Palestinian Authority that have yet to be adopted.

Senator NELSON. How about the role of NATO?

Ambassador SATTERFIELD. We do not see a role for NATO or external forces in Gaza at this time.

Senator NELSON. I recall that the Israeli High Court on the question of the fence said the fence is legitimate for protecting against terrorists, but they said you have got to take into consideration some of the demographics and how you are splitting Palestinian neighborhoods. Give me the administration's response to that.

Ambassador SATTERFIELD. We very much respect the High Court judgment which certainly upheld the security justification for a barrier, but stated—and I paraphrase here—that there needs to be a balance struck between those security justifications and the political and humanitarian consequences of the fence on the ground. The administration separately has made very clear that we also respect the security needs of Israel in the deepest sense possible, but we also believe and have significant concerns over the impact of the course of the fence on humanitarian lives, Palestinians, as well as on the political future of the negotiating process, and we hope very much, in response to the High Court judgment, there are changes made in the routing of that fence which do respond to our concerns.

Senator NELSON. Is the administration prepared to provide assistance to Israel to compensate the settlers and cover the cost of disengagement?

Ambassador SATTERFIELD. That issue has not been raised with the government.

The CHAIRMAN. Thank you, Senator Nelson.

Senator Biden.

Senator BIDEN. Thank you very much.

Much of what I wanted to discuss has been covered. Let me just focus on two specific points.

One, Mr. Secretary, you indicated what you thought was necessary for withdrawal to be a success. Is full Egyptian engagement necessary for withdrawal to be a success? Or put another way, if Egypt opts out, do you see any circumstances under which withdrawal can be a success?

Ambassador SATTERFIELD. Senator, I think the Egyptian role is critical to success of this undertaking, critical to its preparations now, critical to the successful conduct of withdrawal, and certainly critical to what happens after, and that is for two different reasons.

Egypt is the most significant Arab interlocutor with the Palestinians today, with the Palestinian leadership, with the security services. That is very important and it needs to keep that role front and center.

Egypt also has an immediate role on the Rafah-Sinai border. We all know the phenomenon of smuggling of arms through tunnels into Gaza is a destabilizing issue today. It will be a destabilizing issue tomorrow. Egypt has a key role to play there, indeed a vital role to play there.

Yes, I would identify the Egyptian role as important, vital, critical.

Senator BIDEN. Now, that being the case, are we prepared to be an interlocutor between Egypt and Israel? I guess the antecedent question is, in your view are, what I understand to be the demands of the Egyptians in order to play the envisioned role, those demands being consolidation of the security services by the Palestinians, complete Israeli withdrawal—that does not just mean, as I understand the Egyptian position, civilian withdrawal, the roughly 7,000 Israeli citizens living there, but the military as well. And there is the question of that very border where the smuggling takes place. The IDF is having to make a judgment of whether or not they are prepared to cease and desist from controlling that area.

I understand a third request or demand of the Egyptian Government is that there be agreements. I assume it means Egyptian agreement bilateral with the Palestinians and with the Israelis not to escalate the response to provocations, i.e., Katyusha rockets coming out of the Gaza, Israelis responding where there are Egyptian forces or Egyptian personnel. And an agreement that there is direct linkage to reengaging the Road Map, to get everybody out of park and on the road driving again.

Now, first of all, am I correct that these are the essence of the demands that the Egyptian Government has in order to be engaged to the degree that you believe, I believe, I believe the Israelis believe is useful, if not necessary, for a successful disengagement by the Israelis? Are they the demands as you know them?

Ambassador SATTERFIELD. Senator, you are quite correct in characterizing the Egyptian assistance upon restructuring and consolidation of Palestinian security forces under clean, competent leadership responsive to an empowered civilian leadership. You are quite correct in stating Egyptian concerns over the security environment in Gaza for their forces should they place trainers and advisors there, as is under discussion. And you are also correct in describing broad Egyptian interest, which is certainly supported by the United States in seeing Gaza withdrawal take place within the context of broad steps that move us back to the Road Map toward the two-state vision.

With respect to the character of the dialog between—

Senator BIDEN. Excuse me. Is the fourth element not total withdrawal of Israeli forces?

Ambassador SATTERFIELD. The Egyptians have publicly stated that they wished to see full withdrawal of Israeli military forces.

With respect to the character of the dialog being conducted directly between Egypt and Israel at a political, as well as a security expert level, we are both impressed and quite pleased by the vigor, by the robustness of that dialog. The two sides are, as we speak, in discussion on the very issues which you are raising here today, and we are quite encouraged by the revival in direct contacts on this critical issue between Egypt and Israel. It is a process that has benefits to both sides. We certainly want to see it continue.

Senator BIDEN. Are there any of the Egyptian requests that the United States views as not reasonable?

Ambassador SATTERFIELD. These are positions that the Government of Egypt is representing directly to the Government of Israel in some cases and directly to the Palestinian leadership in others. We are quite confident this is a productive and a constructive dialog.

Senator BIDEN. But are we engaged in that at all? This is I think the frustration that Senator Dodd—it is dangerous to characterize another colleague's concerns, but I think Senator Dodd and I share the same concern here. You are technically in a sense, in a legal sense being absolutely accurate and precise. But in the past—we have been here for a long time—Republican as well as Democratic administrations have used their good offices behind the scenes to engage the parties. Let me give you an example.

I am not asking you whether you are doing this. It would seem to me it would be very useful for us to be intervening with our

Quartet members to entreat them to make clear their views to Mr. Arafat on the notion of consolidation of the security force. One of the continuing problems we have had that the average person listening to this hearing might not understand but you fully understand is that we have been at odds with the Quartet not on the broad Road Map, but on the degree to which we should each be engaged in promoting that Road Map, i.e., putting pressure on Arafat to do certain things rather than continuing to support Arafat publicly.

So I want to make it clear that I think you are very adept. Were I in the administration, I would be very pleased with your testimony. You are very good. Very good and very bright and very patriotic. But you are very State Department-esque evasive.

And we are used to that. That is part of your job. I got that. I understand that.

But the bottom line here is that what we need to get a sense of, if not from you—and I am not being a wise guy when I say this. This may be above your pay grade. I am not being a wise guy. I mean that sincerely. I really, truly understand it. It may be beyond your ability to speak to.

Senator DODD. Tell us anyway, though, if you would.

Senator BIDEN. Yes. But here is the point. I do not want the record left without this being addressed. The fact of the matter is there are multiple things this President, in my characterization, when he has been more engaged, would do in this circumstance and may be doing, but I am unaware of, and that other Presidents and other Secretaries of State and people in your position have been doing. If we think this is an important ingredient for the possibility of successful withdrawal, which is the only thing that is changing the dynamic in the region right now, whether you like Sharon's notion or not, I think everyone has to agree this is the only thing on the board that changes the dynamic. Everything else remains the status quo. And it is a chance he is taking politically and it is a chance he is taking substantively. Reasonable people can disagree on whether or not it is a wise move for Israel or for peace, whether it is Gaza only or Gaza first. All that history will decide. We will soon find out.

But in the past, this President briefly, the last two Presidents, including the President's father, would be more significantly engaged in, for example, facilitating the Egyptian request, not merely saying, look, we are just good bystanders here. It is good, in my view, a very positive step, that the Egyptians and the Israelis are actively engaged one on one.

But I hope you are not telling us that we are essentially a bystander here. If they work it out, wonderful. It is good that they are working on this. It is a fine thing they are engaged. We think this is very constructive. And maybe the second tranche of this agreement will work out so that we end up having dah-de-dah. The bottom line is—I am not asking for detail. Tell me, wink, nod, give me some reassurance that you guys are doing something other than what you said.

Ambassador SATTERFIELD. Well, Senator, what I said and what I will reiterate is we are actively engaged and have been throughout with the Governments of Israel, Egypt, and with the Palestin-

ians to support the necessary steps to make this withdrawal a success, and that specifically includes not only our own support in public and behind the scenes for the Egyptian effort, it means mobilizing the Quartet which has expressed, most recently in early May when the principals met, its own strong support on behalf of the international community for Egypt's efforts. We are engaged.

Senator BIDEN. Have they communicated that, do you know? Have the individual members of the Quartet picked up the phone and called Arafat and said, Jack, get off the dime or you lose our support? Is that happening?

Ambassador SATTERFIELD. Senator, I will point out remarks made in the Security Council by the U.N. Special Coordinator for the Middle East, Mr. Larsen, which attracted the attention of the Palestinian Authority in which he stated in terms as blunt, as clear as have ever been used in that forum, the concerns that the United Nations feels, through his representation, and which the Quartet collectively feels about the need for the Palestinians and the chairman to act. He could not have been blunter in his remarks. That is a product of the diplomacy on which we have been embarked for these last years.

Senator BIDEN. You are good. Thanks.

The CHAIRMAN. Thank you very much, Senator Biden.

Senator Brownback, do you have questions for the witness?

Senator BROWNBACK. Yes. If I could just briefly, Mr. Chairman.

The CHAIRMAN. Please proceed.

Senator BROWNBACK. My apologies for being late. I just got off a plane from Tel Aviv and was there and talking with the Israeli leadership and looking at the security fence. So I apologize for coming late, and I apologize I have not heard all the testimony and questions earlier.

It does strike me from being there that until there is somebody to negotiate with at the PA, there is not a whole lot that is going to be able to happen, and that the Bush administration, at least certainly from the Israeli leadership, is doing everything that they can. But until the Palestinians sort out their own leadership discussions and debate, there is just not a whole lot that really can happen. What you are doing is appreciated, but we cannot determine the Palestinian leadership. Palestinians have to determine their own leadership and they should determine their own leadership. They are involved in, it looks like to me, a very messy dispute right now to determine who is going to lead and how, and that could take some time to sort out.

I do not know what else you do. The Bush administration cannot go in there and say, OK, this is the person that is going to lead. The Quartet cannot go in there and say, OK, this is the person that is going to lead the Palestinians. That has to be resolved by themselves and it could be a difficult period of time. I think we can encourage them to select leadership and should get the Quartet to encourage them to select leadership. But until they pick that, I do not see who is there to negotiate with. You just cannot negotiate with yourself.

Now, on the security fence, I toured several areas of the security fence, and I do not think there is any question but that this has been, as a security fence, successful. It is something I think, Mr.

Chairman, we probably would do here if we were confronted with a very similar situation of such close proximities to a population and so many terrorist bombings taking place, that we would probably do something really quite similar. As a democracy, the first call is to protect its own citizens. It is hard to see much any different than what has taken place.

I would urge the administration and the Israeli leadership, as I did there, to work with as many people as possible so that the route is as least intrusive on people's normal lives, if they can do that. And they seem to be very open to being a part and to do that, and they are reconstructing it at a number of points to try to make that take place.

I appreciate what you guys are doing. Mr. Chairman, not to prolong this, but I just would encourage you to stay as engaged as you can. But I think there have to be a couple of factors they are going to have to put into place before a whole lot more can happen in the region. The first of that and the foremost is going to be the Palestinian leadership.

Thank you for being here. Mr. Chairman, thanks for holding the hearing.

The CHAIRMAN. Well, thank you, Senator Brownback. We appreciate the fact that you got back safely. As you can see, Ambassador, members of our committee are engaged in the territory, as you have been. We are deeply interested, and we appreciate your efforts.

Senator CHAFEE. Can we ask any more questions or do you want to go to the next panel?

The CHAIRMAN. Do you have another one? Please go ahead. Senator Chafee.

Senator CHAFEE. I just want to followup on some of the questions that have been asked subsequent to my question about the engagement and the commitment and your own testimony that the President believes in the two states living side by side. One of the fervent opponents of any land for peace and one that has written that the West Bank essentially should be Israeli territory is David Wormser, who the Vice President hired as its Middle East advisor. Have you met with him?

Ambassador SATTERFIELD. Senator, I would respectfully decline an answer. I know Mr. Wormser but this is a domestic issue.

Senator CHAFEE. Has he expressed his opinions to the Department of State?

Ambassador SATTERFIELD. I really could not comment on that issue.

Senator CHAFEE. I think this leads to a lot of our uneasiness about the President's commitment to what he is saying, leading to some of the other questions that I have heard here this morning.

The CHAIRMAN. Thank you, Senator Chafee.

Senator Dodd.

Senator DODD. Dennis Ross, a witness coming up, raises something in his testimony and normally I would obviously let him make his own testimony, but assuming he makes this comment, I wanted to raise the question with you to see how you would respond to this. And I am quoting from his testimony. He said: "While sympathetic to the Israeli concerns, I favor Arafat being re-

leased from the Muqata. He certainly hasn't earned a release, but he is using his virtual prisoner status as a symbol of humiliation, not of himself but of the Palestinian people, and that resonates, building support for him and keeping reformers on the defensive. However, I would make Arafat's release to Gaza, not release for external travel, part of a package of understandings in which Arafat would not be able to go to Gaza until the security restructuring had taken place and there was actual performance for several months."

I just want to get your reaction to that.

Ambassador SATTERFIELD. Senator, a number of parties, Palestinian and external, have proposed various formulae to address the situation of Chairman Arafat in the Muqata, most of which seem to focus on his ability to travel outside, whether it is just to Gaza or to select cities in the West Bank. Where all of this falls down in a practical sense is that Arafat has before him literally today challenges which he can respond to, has the capacity to respond to from Ramallah in a positive fashion for the benefit of his people. And he has time and again chosen to take another set of decisions or to simply not act at all while his people continue to suffer. To the extent that any party is holding out the prospect of a different status for Arafat, Arafat has done absolutely nothing to justify any change as we see it in any parties' view of his situation.

I would have to raise here one particular U.S. Government concern. Three American officials were killed in Gaza a year ago. There has been no satisfactory resolution of this case. We can only conclude that there has been a political decision taken by the Chairman to block further progress in this investigation. I raise this only as an example of how this individual has had challenge after challenge posed to his leadership and has either not acted or has acted negatively in response.

Senator DODD. So you would flatly reject this idea.

Ambassador SATTERFIELD. Pardon?

Senator DODD. You would flatly reject this idea then raised by Dennis Ross.

Ambassador SATTERFIELD. My comment would be Arafat has done nothing—nothing—to demonstrate a positive role on behalf of his people.

Senator DODD. Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you, Senator Dodd. Thank you again, Ambassador Satterfield. We appreciate your testimony. We wish you every success in your forthcoming mission as our Ambassador to Jordan. We appreciate your coming today.

I would like to call now upon our second panel of distinguished witnesses, and those will include: the Honorable Dennis Ross, director and Ziegler Distinguished Fellow of the Washington Institute for Near East Policy; Dr. Abdel Monem Said Aly, visiting fellow of the Saban Center for Middle East Policy, the Brookings Institution; and Mr. Aaron David Miller, president of Seeds of Peace in Washington, DC.

Gentlemen, we appreciate your coming to the committee this morning. We look forward to your testimony. I will call upon you to testify in the order that I introduced you and that will mean, first of all, Ambassador Ross.

Let me just say that your statements will be made a part of the record in full. I ask that you proceed in any way that you wish. I will not be rigorous in terms of time constraints. Our desire today is to receive the information and then hopefully you will respond to questions in a round of questioning after the three witnesses have concluded.

Senator DODD. Mr. Chairman, let me say some of Ambassador Ross' statement has already been made part of the record, and I apologize. It is normally not something I do, but I could not resist asking the question based on something he said.

The CHAIRMAN. This should be reassuring, Ambassador Ross, that we read the testimony and study before we come to these hearings.

Would you please proceed.

**STATEMENT OF HON. DENNIS ROSS, DIRECTOR AND ZIEGLER
DISTINGUISHED FELLOW, THE WASHINGTON INSTITUTE
FOR NEAR EAST POLICY**

Ambassador ROSS. Thank you, Mr. Chairman. First, I thought it was an excellent question. So I was not at all unhappy to hear it.

What I am going to try to do this morning, rather than repeating what I have submitted, is offer a set of comments largely based on what I heard this morning because I think it will offer a perspective on a lot of the questions that were raised and give us a chance, I think, to try to understand really where we are and also what the American role is right now, which seemed to be such a critical concern.

No. 1, let us put things in perspective. Since the year 2001, there really has not been a peace process. A peace process means that in fact you do have a dialog of words between the parties, and we have had a dialog of violence. There have been a few moments where there was some greater hope and the sense of possibility.

One was the Road Map, but the Road Map, bear in mind, was not negotiated with the parties. It was negotiated with the members of the Quartet, and it really never has been implemented on the ground. It remains on paper. When I am asked the question, is it dead, I say it has to be born first, and it really has not been.

Second was with Abu Mazen when Abu Mazen became the Prime Minister. But here again, he was in for all of 3 months and never really was able to act on many of the things that he said for a variety of reasons that perhaps we can discuss later on.

So the point is we have not had a peace process. We have a situation that has been largely frozen. The situation has been frozen mostly in terms of hope, but not in terms of a constant deterioration. What we have seen has been a constant deterioration with both sides paying a very heavy price over the last 3-plus years, Israelis as well as Palestinians.

Now, there are two decisions the Israeli Government has made that are beginning to change that situation. One is changing the situation from a security standpoint for the Israelis and that, Senator Brownback, is what you were referring to, the security barrier or fence. It affects things because the fact of the matter is while David Satterfield was correct, the numbers of attempts are continuing, the difficulty of carrying out successful suicide attacks has

changed, in no small part because many of the suicide attacks begin in the northern part of the West Bank and to travel down around where the fence is already built or where the barrier is already built is not so simple. You subject yourself to more people you have to work with. That gives the Israelis additional opportunities to find out what is going on and intercept those who would carry out the attacks.

Now, the reason it remains difficult for the Palestinians is the barrier is one-quarter completed and the Israelis maintain a siege in the rest of the territories. So Israel is becoming more secure even while there are as many attempts as before, but life for the Palestinians remains very difficult.

Now, the second decision the Israelis have made that is changing the situation and in this case creates the possibility of an opening is the decision to withdraw from Gaza. It is obviously not a simple decision. When I was in the area a couple of weeks ago and I spoke to the Prime Minister of Israel, one thing was unmistakably clear. He will do it. He will absolutely do it. He may not have the government to do it right now. He may not know what the politics are going to be to get it done, but he is going to get it done.

And there is nobody on the Palestinian side who questions whether Israel is going to withdraw from Gaza. And because of that, now we are seeing the turmoil on the Palestinian side. We are seeing the turmoil because Palestinians understand the Israelis get out of Gaza, and when they get out of Gaza, the Palestinians have to govern themselves. They have to bring order out of chaos. They have to prove to the rest of the world, as well as themselves, that they are ready for statehood, and they cannot do it with the current situation where there is no rule of law, where there is corruption, where there is a dependency on the cronies of Arafat who have no credibility with the population certainly in Gaza.

And you see a move of some of the younger members of Fatah, not only in terms of organizing elections in Gaza over Arafat's opposition, but also an insistence that things have to change. The Palestinians have to put their house in order. And the turmoil that you have seen over the last several days is a function of recognizing that they have to change and they cannot continue as they are.

Now, when the Palestinian Prime Minister Abu Allah threatens to resign and today he rescinds it, it is also part of a strategy right now designed to say to Arafat, if you do not go along with the restructuring of the security forces, I cannot do my job. He went there today with a committee to meet with Arafat, and the reason he made his decision is because he got a number of promises from Arafat on going ahead.

Now, the story you recounted, Senator Nelson, about is it 2 weeks or 52 weeks probably fits these promises as well. Abu Allah has a pocket full of promises from Arafat. Will these be different? Well, they could be in one respect.

Arafat has a nose for survival and what he has always cared about more than anything else is the Palestinian street. In Gaza right now, you are beginning to see the Palestinian street express itself. Because they do not have a normal structure for expressing themselves, what do they do? They kidnap one of his cronies, Ghazi

Jabali, the head of the police, and they march him through a refugee camp. In the refugee camp, they have him admit—and they point out that he has been stealing their money. This is the way they express themselves. They challenge who he is appointing. When he appoints his cousin to be the new head of security, they are up in arms with that. There are attacks against headquarters. Now, it may not be the way we would like to see them expressing themselves, but they do not have a lot of other vehicles right now.

So in answer to the question that was posed earlier, is this the beginning of something significant, my answer is yes. It is going to be transformed into something that creates a new reality? I do not know yet. I do not think anybody can say yet.

And let us bear in mind that no one historically has confronted Arafat on the Palestinian side because he is an icon. He put the Palestinians and their cause on the international map, on the international stage. He gave them recognition when nobody else had. One of the most famous Palestinian poets referred to the Palestinians as being a people expelled from history. Arafat gave them a history, but Arafat gives them no present and he gives them no future. And most Palestinians know that, and while they do not want to divide themselves, now with the Israeli withdrawal coming, they know they have to do something.

Now, if he reads the mood of the street, insisting he has to do something, he will accommodate it. Even while he accommodates it, given his historical pattern, he will maneuver and try to subvert what it is he has accommodated. But the more the Palestinian street is in evidence, the more he will make adjustments in light of that.

So in that context, now the question comes, where is the diplomacy, what is going on right now? I think we have to be clear, the only one who is truly being active right now from a diplomatic standpoint is Egypt. We are not. Senator Biden is not here, but Senator Biden said, are we a bystander? Well, I would not say we are solely a bystander, but the question he was getting at is in the middle of the Israeli-Egyptian discussions are we there as well. And the answer is no. They inform us, after the fact, of what they are talking about.

Let us put in perspective what the Egyptians are doing right now. The Egyptians, in effect, are playing what has been the traditional American role. Look at the three basic things the Egyptians are doing.

The first, the Egyptians are trying to reassure the Israelis on security so that the Israelis can get out of Gaza completely. The Israeli military believes that for now it needs to stay in what is known as the Philadelphia Route, which is on the border of Gaza and Egypt, and the reason is because of smuggling. The idea of concern is that you are going to have a qualitatively different kind of weapon smuggled into Gaza after they are out. What does it mean? Katyushas into Gaza which have the range to hit Ashkelon. Surface-to-air missiles, even portable into Gaza that could bring down an Israeli aircraft. That changes the whole rules of the game. The IDF view is satisfy us on that before we can get out. At this point the IDF is not satisfied but the Egyptians are beginning to

work on it. So here are the Egyptians assuming the responsibility for reassuring the Israelis on the issue of security.

The second role they are playing is putting themselves with the Palestinians to try to carry out the structural reorganization of the Palestinian security organization so instead of having 12 organizations, all competing with each other, all designed to ensure loyalty only to Arafat and not to each other, you should have three and they should be professional. What the Egyptians are trying to do, the essence of their plan is to actually get the three appointed, organized with leaders, have those leaders come to Egypt where they will have discussions with the Egyptian security on what their role and responsibilities will be. And the Egyptian role of putting advisors in is not to go and train. It is to monitor, to be there in Gaza to monitor the responsibilities that they have worked out with the Palestinian security forces. Arafat at this point said yes to it, but he means no.

But here again, so first the Egyptians are trying to assure the Israelis on security. Second, they are trying to carry out the reorganization with a structure of responsibility that they will monitor on the issue of security and the security organizations.

Third, when the Israelis and the Palestinians are not, in fact, engaged in a discussion at any senior levels, they are trying to coordinate between the two of them because the Israeli withdrawal—and Prime Minister Sharon wants to withdraw and he does not want to have to negotiate it. He said, look, I have not had a partner up to now. If I have to negotiate it, the Palestinians force me to adjust what we are going to do in our own interests. I want to be able to do it on my own.

But the reality is you have to coordinate it in some fashion. Who do you hand it off to? When you withdraw, is it going to be Hamas who benefits? Is it going to be Palestinian elements or the Palestinian Authority that is prepared to coexist with Israel? If you are going to get out of the settlements, which they are going to, who does it get handed off to?

Are you going to agree that the buildings there will be dismantled, but the infrastructure maintained? When I was just in the area, what I heard from all the Palestinians I talked to—and I talked to a very wide spectrum in both the West Bank and in Gaza—they actually are now saying let the Israelis take down the settlement houses because we are concerned if the houses are there, it will go to the cronies of Arafat or the thugs who have the most arms. We would rather have the houses taken down, the infrastructure maintained, build apartment buildings there so many more Palestinians can benefit. Well, here again, this is not going to happen in the abstract. It is only going to happen if in fact there is some kind of coordination, and it is the Egyptians right now who are going between the Israelis and the Palestinians. Now, this is the historic American role.

Now, the Egyptians have a set of concerns. Some of those are the ones that Senator Biden raised, but there are a few other ones as well. For them to be able to carry out what they want to do, they want to know certain things from us, and it is not just on the issue of Egyptian withdrawal. They want assurances from us that the

U.S. role will be one of insisting that this be Gaza first, not Gaza last. That is not so difficult.

They want assurance from us that we will do what we told the Egyptians and everybody else that we would do at the time that Abu Mazen was Prime Minister, which is we would provide the equipment and some training for the Palestinian security forces. Now, that has not happened yet, but that is something the Egyptians want.

They want an assurance from us that we will lead a significant donor effort. So in fact you will have real infusion of money and assistance into Gaza so that you can make this a going concern as the Israelis withdraw. So you build a stake of everybody there in having stability and calm. That is not so hard.

The last one is going to be more difficult. They want assurances from us that as they work on the Palestinian requirements, they will also have some requirements for the Israelis, and they want us to ensure that their requirements for the Israelis will be met. And what are their requirements for the Israelis?

One. This is one of the reasons I made the suggestion in the testimony that you cited. They are going to come to the United States, maybe not now but at some point. It is almost a given. They are going to say, look, we cannot only pressure Arafat, we have to give him something too. They will recognize maybe you cannot give him anything politically but at least give him the reality of being able to get out of the Mugata. And they are going to come to us with that, and we need to think about it before they come to us.

Now, they are also going to come to us on something else. They are going to want a comprehensive cease-fire. David Satterfield made a reference to a comprehensive cease-fire. What does that mean in practical terms? It means if you get a hudna, which you had before, which you cited, Senator Chafee, on the Palestinian side when you get it, you do not use it as a respite to rebuild and retool and plan your next set of operations. But at the same time, if you really get it, on the Israeli side, the Israelis stop the targeted killings and they stop all the raids. And they will look to us to produce that.

Now, from my own standpoint, the Egyptian role is critical, especially since no one else is playing it. I would like to see us playing a more active role. I would like to see us defining for ourselves what the requirements are, not having somebody else define the requirements and we respond to them. When I said we had no peace process, it is because it is the essence of the peace process that produced the Israeli decision to withdraw from Gaza. That is an Israeli decision. It was not because of American pressure, even an American conscious approach. That is fine. That is appropriate. But we should be defining the requirements for how to make the Israeli withdrawal work so it becomes a building block to transform the situation and it does not become only an end in itself.

There is something else we can do. I heard constant questions about the role of the Quartet. The fact is there is a difference between us and other members of the Quartet on Arafat, do you deal with Arafat, do you not deal with Arafat. We say we do not deal with Arafat. I agree with that. They continue to deal with Arafat. I think it is a mistake on their part. But even if it was not a mis-

take, the one thing we could get the Quartet to do and the one thing we could get the Egyptians to do, if the Egyptians want us to play an active role in support, is to get them to go public about Arafat.

Being tough with Arafat in private—let me tell you I spent more time with Arafat than any non-Palestinian and most Palestinians will say to me more time with him than them. Being tough with Arafat in private means exactly nothing. Arafat basically shrugs that off. He is used to it. It is when you go public and it is the traditional friends of the Palestinians who are seen as instinctively supportive of the Palestinians. If the Europeans who are seen as instinctively supportive of the Palestinians were publicly to say if we do not see, not just in private, as you were suggesting—or maybe you were suggesting, Senator, in public as well—if we do not see 12 organizations in the security side turned into 3, if we do not see a clear chain of command, if we do not see a clear effort made to delegitimize the violence, something that was never done, then you lose our support. We favor Palestinian statehood. We are prepared to put our money where our mouth is. Europeans have done that. They have put a lot more into the Palestinians than we have. But we will not do it if the Chairman continues to obstruct this.

Now, when I said before he pays attention to the Palestinian street, you have a lot of turmoil among the Palestinians right now, as we are seeing. If he believes that the Palestinian public says, wait a second, he is blocking us, and our friends are saying he is blocking us, guess what. His behavior will change.

So one of the things we need to do is establish our own requirements and we should support the Egyptians but we should also make it clear what we require, and what we require right now is a readiness to go public. I do not care if that is a threat in private to begin with, as long as Arafat knows at some point they will all go public. Our going public in criticism of him right now means nothing because we do not have a whole lot of credibility with the Palestinian public. The Europeans going public or Arab leaders going public—and I can assure you that in private I have never heard a single Arab leader say something good about Arafat—if there is a readiness and he knows there is a readiness to go public, they will not even have to. He will get out of the way. He will stop blocking this.

Let me just conclude with one overarching set of comments, and I will keep it brief.

Because for the last 3-plus years we have had a war and not a peace process, the legacy on both sides has been terrible. The psychology on each side is not a psychology of loss of confidence. That simply trivializes it. There is a loss of faith and belief. There are some who say, go ahead, we know what the outcome is based on the year 2000. Even I would say the outcome is no longer a mystery. The problem is how do you get from where we are to the outcome. But to think that we can do it in one step, that we can outline the settlement and say, here it is, and it is going to be adopted is an illusion.

You look at Palestinians. You ask them what their reaction to the Geneva Accords is, and basically they say we are against it. Why? Because they do not believe it will be implemented.

You talk to Israelis and Israelis will tell you, even people that I have talked to in the settler movement, that they are ready to give up most of the settlements. They are ready to accept something like the Clinton ideas, but they do not believe the Palestinians will ever accept a Jewish state of Israel and they do not believe they will ever really give up terrorism instruments.

And until you reestablish belief on both sides, you cannot now say, here it all is, because neither side will believe that it will be done. So you have to create a way station. The value of the Israeli decision of getting out of Gaza and at least four settlements in the northern West Bank is it creates an opening for you. Now you have to build on that opening. You have to create a principle wherever the Israelis are going to withdraw, the Palestinians are going to assume responsibilities and demonstrate the assumption of responsibilities and get others to get behind that.

By the way, getting the Europeans to support something like that is not so hard. They are not against the Israelis getting out of settlements. They will support that. And they understand that the Palestinians have to assume responsibilities. We have to get them to go public with it. We have to build on the principle of Israeli withdrawal/Palestinian responsibility. And when we build on that principle and make it real on the ground and you do it now—I mean, whoever becomes President come January, if we have not done what we have needed to do between now and then, the task will be that much harder. But we will be spending our time at the beginning of next year trying to make the Israeli withdrawal work. If we make it work, it is a way station, and the way station creates two essential freedoms, which are the prerequisites for being able to then negotiate the final outcome. One is the Israelis need freedom from terror, and two is the Palestinians need freedom from Israeli control.

I will stop there.

[The prepared statement of Ambassador Ross follows:]

PREPARED STATEMENT OF AMB. DENNIS ROSS

TAKING ADVANTAGE OF A MIDDLE EASTERN MOMENT: THE NEED FOR AN ACTIVE AMERICAN ROLE

While the world remains riveted on Iraq, there is a small glimmer of hope between the Israelis and the Palestinians. Prime Minister Sharon's intention to withdraw from the Gaza Strip has created an opening. To be sure, the prime minister must still find the way to overcome internal opposition to implement his decision, and given the opposition within his party and his own lack of a majority within the Knesset, this won't be easy. But his determination to implement his initiative, the fact that 70% of the Israeli public supports the disengagement plan, and the readiness of the Labor party to join a national unity government all suggest that Prime Minister Sharon will in time succeed in implementing his decision to withdraw from Gaza. In any case, it is clear from discussions I had recently in Egypt, the West Bank, and Gaza that the Palestinians and Egyptians are convinced that Israel is going to leave Gaza.

Palestinians see both the opportunity and the danger in the Sharon initiative. They understand that once Israel is out of Gaza they can no longer blame failings on the Israelis and must be able to govern themselves. They must be responsible. Here is the chance to have good governance, and to demonstrate to the world that Palestinians are ready for statehood.

The danger for the Palestinians is that their current fragmentation will be exacerbated after the Israelis withdraw, with heightened competition and even conflict, to see who can emerge dominant in Gaza. Yasir Arafat does not make the task any easier. He will certainly try to frustrate Palestinian efforts to forge internal understandings if he cannot look like the liberator of Gaza. Arafat's likely opposition will make the Egyptian task that much more difficult.

For its part, Egypt tends to see Gaza more through the prism of danger than opportunity. The last thing Egypt wants is to have Gaza, sitting as it does on Egypt's border, either devolve into chaos or become dominated by Hamas. Stability in Egypt will not be served by either possibility. To avoid any such eventuality, Egypt is now determined to work with the Israelis and Palestinians.

Ironically, the Sharon decision to leave Gaza has led Egypt to assume the role previously played by the United States. It is now Egypt that is seeking to coordinate Israel's withdrawal and the parallel assumption of responsibilities by the Palestinian Authority. It is now Egypt that is seeking to address Israeli security concerns to ensure that the withdrawal will be complete. And it is now Egypt that is trying to reorganize, restructure, and train Palestinian security forces and empower the Palestinian prime minister.

Can Egypt succeed? It will not be easy. With both the Israelis and Palestinians, there will be difficult challenges that must be resolved. In Israel, Ariel Sharon may have made his decision to withdraw completely but he cannot ignore the concerns of the IDF, particularly at a time when his own party is resisting the withdrawal. Even before the first-ever killing of Israelis by a Qassem rocket in the Negev city of Sderot two weeks ago, the Israeli military worried about the smuggling of qualitatively more destructive weapons (Katyusha rockets, shoulder-fired surface to air missiles) into Gaza after Israeli withdrawal. From Gaza, Katyushas would be able to hit the port city of Ashkelon or a surface to air missile could bring down an Israeli aircraft; the IDF's concerns in this regard won't be met with slogans but with tangible, practical approaches for preventing either eventuality. That is why IDF has favored holding the Philadelphi route on the Gaza-Egyptian border, notwithstanding the Prime Minister's desire for full withdrawal. If Egypt wants the Israeli withdrawal to be complete, it will have to demonstrate to the Israeli military that it is acting to shut down the smuggling tunnels that run from its side of the border into Gaza. So far, the Israeli military leaders I spoke with remain unconvinced.

But the challenge with the Palestinians may be even more demanding. Today the Palestinian Authority in Gaza simply does not function on security matters. There are different security organizations, tied to different factions of Fatah, and with different strongmen. If that were not enough, these competing forces must also contend with Hamas and Islamic Jihad. Egypt wants to create coherence by having Arafat permit the consolidation of the security organizations into three services with a professional chain of command and separated from Fatah. Egypt wants the leaders of the new consolidated security services to come to Egypt to reach understandings on their responsibilities, how they will be fulfilled, and how Egypt will monitor their performance while also providing them support. Only after reaching such understandings would the Egyptians then send several dozen advisors to work with and monitor the new security services in Gaza.

It is a logical plan. While it has the support of the Palestinian Prime Minister, Ahmed Qurei, Yasir Arafat has given only grudging support to the plan—and even this under pressure from Hosni Mubarak and his intelligence chief Omar Suleiman. In truth, at this point Arafat's yes is in reality a “no.” He has not reconciled himself to giving up control of the security organizations or to allowing them to fulfill their obligations. (Terje Larsen, Kofi Annan's special representative in the Middle East, has complained about these very points in a presentation to the Security Council.) Does this mean all is lost? Not necessarily, but it will require constant pressure on him from President Mubarak, including the threat of going public about Arafat's obstructionism. Arafat may have little to fear from our criticism, but should the traditional friends of the Palestinian people declare that he is blocking efforts to advance the Palestinian cause, that could have a decidedly different impact on the Chairman.

For Egypt to be willing to go public in its criticism of Arafat would represent a bold new step. In private, President Mubarak and other Arab leaders have never spared Arafat of criticism. But they have never been willing to make the same statements in public, perhaps fearing Arafat's ability to manipulate their publics about a betrayal of the Palestinian cause. Perhaps, Egypt's stakes in what happens in Gaza may change the traditional calculus. Perhaps, it will also motivate the Egyptians to press the Jordanians, Saudis, Moroccans, Tunisians and others to join it in being prepared to go public with criticism of Arafat. Should Arab leaders act collectively, they would feel less vulnerable to Arafat's charges; on the contrary, Arafat

would be the one feeling vulnerable. And this may not be such a far-fetched idea as Arab leaders are evidencing increasing frustration with Arafat.

But here there should also be no illusions. The readiness to put real pressure on Arafat to go along with the restructuring of security organizations and the assumption of meaningful security responsibilities will probably be tied to giving Arafat something. At a minimum, the Egyptians and others are likely to insist that Arafat be released from the Muqata, his virtual prison. Israel is likely to resist this, fearing Arafat's desire to return to Gaza as a hero and the need for him to pay a price for his continuing support for terror against Israelis.

While sympathetic to the Israeli concerns, I favor Arafat being released from the Muqata. He certainly hasn't earned a release, but he is using his virtual prisoner status as a symbol of humiliation not of himself; but of the Palestinian people—and that resonates, building support for him and keeping reformers on the defensive. However, I would make Arafat's release to Gaza, not release for external travel, part of a package of understandings in which Arafat would not be able to go to Gaza until the security restructuring had taken place and there was actual performance for several months.

The question remains can Egypt broker this kind of a package arrangement? Indeed, can it broker broader understandings between the Israelis and Palestinians on the timing of the steps the Israelis will take as they prepare withdrawal, the steps the Palestinians must take in response, the ways the handover of territory will be coordinated, and the specific areas where the IDF and the Palestinian security services will work together? Can it put all this together without also negotiating a comprehensive ceasefire that is not only an internal Palestinian hudna but involves the Israelis as well?

All this is an extraordinarily tall order, and the Egyptians are unlikely to succeed, much less stick with the effort, without active American support. Already the Egyptian timetable of two months for Yasir Arafat to concede on the consolidation of Palestinian security forces suggests to some Palestinians and Israelis that the Egyptians are reluctant to push too hard at a time when they believe the Administration is otherwise occupied.

I am afraid that the Egyptians may believe that the Administration will do very little before November, and while the Egyptians are prepared to take the lead, they definitely are counting on the United States for several things. First, they want an American public assurance that the Gaza withdrawal will be the first step, not the last of the process. Second, when they identify requirements for Israeli behavior (and this is likely to focus on releasing Arafat and stopping targeted killings and raids as part of a comprehensive ceasefire), they will want the Administration to press the Israelis to accept these steps.

Third, they will want us to provide the material help we promised the Palestinian security organizations during Abu Mazen's time but never delivered. And, lastly, they will want us to lead an international donor effort that produces significant assistance for Gaza to show life can get better.

I certainly favor American activism sooner rather than later. While I think Egypt has a very important role to play and am pleased by its readiness to play it, I would prefer to see the U.S. taking the lead. American leadership with Egyptian support is ultimately more likely to be successful than Egyptian leadership with U.S. support. Regardless, one point is very clear: the Israeli withdrawal from Gaza can be used to end the war between Israelis and Palestinians and make the resumption of a peace process possible. It can be used to create a new climate in which both Israelis and Palestinians have a chance to restore their belief again in peaceful coexistence. But the less that is done now to capitalize on this moment, the more that will need to be done later and the greater the risk that the moment will be lost. Middle East moments have a way of appearing and disappearing quickly, and, unfortunately, when they are lost, the situation is almost always worse than it was before.

The CHAIRMAN. Well, thank you very much, Ambassador Ross, for a very comprehensive and important statement.

We would like to hear now from Dr. Said.

STATEMENT OF DR. ABDEL MONEM SAID ALY, VISITING RESEARCH FELLOW, SABAN CENTER FOR MIDDLE EAST POLICY, THE BROOKINGS INSTITUTION

Dr. SAID. Thank you very much, Senator Lugar. I am really honored to be here. I must confess I am totally overwhelmed. It is my

first time to be before such an honorable committee, and also I am overwhelmed because I feel that the perspective here is completely different from where I am coming from. So I will try to do my best to relate to you my honest opinion on a very complicated topic.

Actually I am torn between responding to many of the things that were said, that I think were quite important, and sticking to my brief. I have already submitted my testimony. But I want to emphasize some, at least what I think are grand points that need to be emphasized even when we come into some of the details that we are discussing.

The most important thing is that the Palestinian-Israeli conflict is a strategic conflict, and I mean by strategic conflict to bring to the minds here, it is like the German question that haunted European politics for about two centuries. This conflict actually haunted the Middle East politics for over a century, and I hope it will not stay with us for a second century.

The second point, strategic conflicts are dealt with by grand strategy which I am afraid that many of the details we talk about really make us not look on the grand picture. The Palestinian-Israeli conflict is part of a region and this region has monopolized about 25 percent of conflicts since the Second World War. I think in that region that is called the Middle East, many of the conflicts that now the United States is involved directly like in Iraq are highly integrated. It is a totally, completely strategic, integrated region. Issues of the Palestinian-Israeli issue, terror, weapons of mass destruction, Iraq, civil wars, reform are all integrated.

The third point I want to emphasize is that a short-term solution can work for a short time. Beware, however, they are short-lived and sometimes they are dangerously addictive. The major rule in the politics of the Middle East is that unless concerned parties do not come after the conflict, the conflict will come after them. Unless concerned parties launch peace, others will make war.

The fourth point is a resolution of the conflict is possible. I believe it is possible. There is an international consensus on the parameters of the end road of the Palestinian-Israeli disputes. However, the Arab side has resolved the Palestinian question by the Arab initiative, by identifying the solution of the Palestinian question in terms of the 1967 boundaries, more or less. We need a similar position that resolves the Jewish Israeli question within the same boundaries.

I think—and I may beg to differ—that it was mentioned that there is an absence of a Palestinian partner as the essence of the problem we are facing. That is part of the reality, but I believe the essence of the problem is occupation. We have a long-term vision for a two-state solution, but we never defined really in the record where these states will be. Even my dear friend talked about Israeli control. In our perspective it is outright occupation, and I am totally a bit surprised that the United States can talk about its occupation of Iraq freely but we cannot talk about the Israeli occupation of Palestinian and Arab territories.

I will say—and that is another point—that progress happened in the past and it could happen in the future if we have four conditions.

No. 1, serious American involvement at the highest level. We never really got progress unless President Carter in the past, President Bush in the past, President Clinton in the past really committed time and resources.

The second one, that we have a majority of Palestinians and Israelis really agreeing on the final solution. So far we have public opinion polls that tell us that the mainstream Israelis and Palestinians agree on a certain type of a final status agreement. However, there is total mistrust now for different reasons and also we have forces that are working against that. I think that is where the problem lies in where we are going at this moment and what Egypt is really trying to do with the Palestinians. And we hope that you can do it with the Israelis.

What we are trying to make with the Palestinians is another option. Actually we are fighting terror. We are fighting radicalism. We are fighting fundamentalism in the time we are trying to solve the Palestinian question or trying at least to move it forward. And that is a way to affect Arafat. I mean, what I heard here today about Arafat, he looks like a giant actually. That is a guy sitting in a Muqata. Actually he cannot have a shower without Israeli permission because they can cutoff water from him at any time they need, and at the same time it seems he is in control. He has no authority. He has no power. He has only moral and political influence. That will not be shaken without somebody else in the Palestinian ranks can come and say, here, I am bringing you an independent state in the 1967 borders.

That is what I think Dennis was talking about, legitimacy of leadership. Arafat provided the legitimacy of a struggle. We have got to give the Palestinians the ability to have legitimacy of a recognized future. In this case, then we have a solution.

A third condition is total Egyptian and American cooperation, and finally a clear plan.

I will say that none of these conditions is really available enough. We have a bit of each of it. But I am afraid that now Egypt is using a lot of political assets, a lot of political investments in this process. I want to say here for this honorable committee that political assets and investments in the Middle East are not in abundance. They are short and sometimes they have a hell of a cost. I want to say that the Egyptian leadership really needs to be encouraged to continue in that path.

Finally, I want to say that at this moment like many of the histories of regions of the world, you have defining moments. It is not per se the Palestinian-Israeli conflict. That is one of the conflicts—I am international relations expert and I am familiar a little bit of history. Conflicts continue sometime for too long. But actually the one I want to emphasize that the Arab-Israeli conflict is really measured with much larger conflicts. The events of September 11 here in this country have really put us into a new phase in world history I will say. That is very complicated. We do not see it completely, but really I see that you find the Palestinian cause is mentioned by people in Indonesia and people in the Philippines. There is no justification for terror, I will say, but something is simmering going on and this something is completely dangerous.

The place we have to face it or the beginning of the line, it is not all the lines. It is a very complicated process. It is there in the Palestinian-Israeli one.

I think the Arabs should have the courage to say we accept Israel among us. We have to build a future together through diplomacy and politics. We are threatened together by forces who want to terrorize our future.

We need another commitment. I know it is difficult. I heard in this committee a lot of what Arafat should do and many of the things that were said were right. Arafat has got to have a central security apparatus. He has to have an efficient and reformed government. He has to build something to make the Palestinians feel that they will have a better state than the one they have.

But at the same time, I have not heard the "settlements" once. I have not heard what can we talk and tell the Israelis what they do. I know it is difficult. I know it is difficult in an election year situation. But I think it has to be said not only for the sake of us in the region, which is very important, but for the sake of Palestinians, Israelis, and Americans.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Said follows:]

PREPARED STATEMENT OF ABDEL MONEM SAID ALY

I. INTRODUCTION: A STRATEGIC CONFLICT

The history of the Arab-Israeli conflict is full of moments of success, and plenty of failures and lost opportunities. For the last four years, the Palestinian-Israeli part of the conflict has defied all plans for reconciliation the latest of which is the Road Map.

The Egyptian plan could face the same fate unless it was treated by the United States and of the world concerned community in much more serious ways than what is already taking place.

Plans and initiatives do not work in their own, or because of their internal consistency and logic, or because they are just and fair, or even because they are accepted by the parties; but rather because there is a political commitment that understands the gravity of the situation and has the stamina, the patience, and the resources to achieve results.

Such a commitment will not be obtained unless the concerned parties, particularly the United States, have come to the conviction that the Arab-Israeli conflict is endowed by three characteristics:

First, the conflict is a conflict of strategic magnitude. It is not a dispute that time will ameliorate its acuteness, reduce its agonies, heal its wounds, and ends its pains. The Arab-Israeli conflict has been one of the most important chapters of the cold war and now it could be the most important chapter in the war against terror. Without any exaggeration, it will be at the center of the "Clash of Civilizations" if the predictions of Samuel Huntington, and, ironically in a completely different way, Osama bin Laden ever come true.

Second, the conflict is part of a larger regional context. A strategic conflict is by definition a protracted one with security, social and political implications that go beyond the direct interests of the conflicting parties. The Middle East regional context of the Arab-Israeli conflict is a highly integrated strategic area in which all the subjects of Iraq, Palestinian-Israeli problems, terror, reform, fundamentalism, are all related and interdependent. Unless all the concerned parties, particularly the United States, understand the regional and the global reach of the conflict, the commitment to solve it will not be obtained.

Third, the Arab-Israeli conflict is in a state of flux and change. It is as many issue areas in the Middle East such as Iraq and reform are in transition. And transition is a state of uncertainty and the competition of opposing forces. Those are the times when the devils of history do not wait much for presidential election cycles, nor could they wait for plans or initiatives to be stacked for posterity. One of the greatest achievements of the peace process in the last three decades has been the transformation of the Arab-Israeli conflict from being an existential conflict to be a con-

flict about how can the Arabs and Israelis live with each other. Such achievement in the time of transition is susceptible to reversals by forces that opposed peace from the start.

II. THE EGYPTIAN INITIATIVE

If such understanding of the strategic magnitude of the conflict, its regional context, and its transitional nature has established the commitment for the resolution of the conflict, the Egyptian initiative will have a chance for success. The measure of success is to jump start the peace process and put it back into the Road Map track. So far, the Egyptian initiative has achieved the following:

1. It has kept the interest in Sharon unilateral disengagement plan going despite the series of setbacks in his own Likud party who voted against his plans and the constraints which are imposed by his cabinet on the substance and the timetable on his initiative.
2. It has initiated a dialogue process within the Palestinian political factions for a strategic and political program to reach an independent Palestinian state that live in peace side by side with Israel, the Jewish state, according to President Bush's vision of a two state solution to the Palestinian-Israeli conflict. Such a dialogue will include the unification of security organs under one single leadership and will be concluded in Cairo, hopefully, before November 2, 2004. Just on time for the new American administration to take action if it so will.
3. It has the support of the Palestinian public. According to a public opinion poll conducted by the Palestinian Center for Policy and Survey Research (PSR) in 24-27 of June, 2004, 64% of the Palestinians support the initiative and 32% oppose it. Support for the various aspects of the initiative varies but all indicate a willingness to make it succeed: 81% for the unification of the security services under the control of the cabinet, 87% for the appointment of a strong minister of interior, and 53% for the deployment of Egyptian military advisers and security experts in the Gaza Strip.
4. It has initiated a process of Egyptian-Israeli dialogue, coordination and co-operation over issues related to the disengagement plan such as the tunnels and the use of Israeli forces in Gaza near the Egyptian borders. And, over other issues that are neither related to the disengagement plan nor to the Egyptian-Israeli peace treaty such as the QIZs and the export of Egyptian gas to Israel.
5. It has filled the diplomatic vacuum that was generated by the American engagement in Iraq and the coming presidential elections. The meetings of the Quartet started to give a sense of new possibilities for the peace process. As Henry Kissinger once said: the Arab-Israeli peace process is like riding a bicycle uphill, you have to keep going up, or you will fall down. The Egyptian initiative is struggling to continue upward.

All these are tactical achievements, temporary, and all reversible. Few trends are emerging to endanger the Egyptian initiative:

1. There are several negative changes in the original Israeli unilateral disengagement plan that is making it less and less attractive to the Palestinians and the rest of the Arab World. The plan which is supposed to achieve a clean Israeli withdrawal of forces and settlements from Gaza and part of the West Bank has been staged over a long period of time and always subject to Israeli cabinet approvals, and maneuvers. The new amendments have allowed for several Israeli types of control in Gaza which makes the withdrawal more as redeployment of forces than being a serious disengagement.
2. The Israeli side is refusing to link the disengagement plan to the Road Map. The best that the Israeli leadership is coming with is that its plan is not inconsistent with the Road Map. As the Road Map is having three stages, and Israel is planning now to withdraw, or redeploy its forces, in three stages, the absence of a direct linkage with the Road Map is undermining Egypt's position and its legitimacy in Egypt and the Arab World regarding involvement in the Israeli-Palestinian negotiations.
3. Most thoughtful observers in Israel are indicating that the essence of the Sharon plan is to consolidate the Israeli presence in the West Bank. Former Israeli Labor minister Ephraim Sneh wrote to the Israeli Policy Forum in July 13, 2004: "He (Sharon) expects that leaving the Gaza Strip will enable him to assume greater control over the West Bank, perhaps annexing at least half of it." Neither Egypt, nor the world, has any interest in allowing Israel to have

a de facto annexation of the West Bank or parts of it. Israeli leadership did not make any effort to alleviate such worries.

4. The process of building settlements in Gaza and the West Bank have not abated but rather it shows signs of acceleration. Excessive Israeli violence against the Palestinian populations has put the Egyptian initiative in serious danger of being like condoning Israeli behavior.

5. The American letter of assurances to Prime Minister Sharon in April that touched upon final status issues did not achieve its original objective of helping Sharon to win the support of his Likud members, nor has it helped the peace process. It was an embarrassment to Egypt and its efforts.

These negative developments have sucked some of the air out of the Egyptian initiative. However, the Egyptian leadership continued its efforts to make the disengagement plan possible if it ever is going to be implemented. But, unless there is a genuine help from the United States and the other Quartet members, Egyptian initiative will be added to a long list of failed attempts to resolve the conflict.

III. WHAT CAN THE U.S. AND OTHERS DO?

The external support should utilize the available assets that are available in order to chart a meaningful process that will make the resolution of the conflict possible.

The first asset is the Egyptian and Jordanian peace agreements which give a living proof of the long lasting rewards of peace; namely the end of hostility and belligerence, the return of occupied territories, and the commitment to the peaceful resolution of the conflict. These agreements have created stakes for Cairo and Amman to continue the search for peace in the region.

The second asset is the Palestinian and the Israeli citizens who want to live in peace. Despite the bloodshed since September, 2000, public opinion polls in Palestine and Israel all indicate that the majority of the population on both sides still favors the peace process. Israeli polls have shown increasing acknowledgement of the impossibility of a military imposed resolution of the conflict. On the Palestinian side also there is more acknowledgement of the futility of suicide bombing targeting civilians, as a means to advance the national interest.

The third asset is an emerging consensus over a historical compromise which responds to the minimum requirements of both parties; i.e. Israeli withdrawal from territories occupied in 1967, equal exchange of 3% of the land, and establishing the Palestinian state with East Jerusalem minus the Jewish quarter and the wailing wall as its capital, whereas West Jerusalem plus the Jewish quarter and the wailing wall becomes the capital of Israel, and a just settlement of the refugee problem that does not deny the right of return, while preserving the Israeli demographic balance at the same time. The Geneva accords are a living evidence of the possibility of agreement between the two sides. Today, we miss the tunnel, but most already see the light at its end.

The fourth asset is the international support for a peaceful resolution of the Middle East conflict. This support has become more institutionalized through the Quartet; the U.S., the EU, Russia, and the UN.

The fifth asset is the Arab initiative supported by Egypt and Saudi Arabia who are in fact the backbone of the Arab world. Saudi Arabia has informed the U.S. that it will be willing to implement the normalization process with Israel upon signing a peace agreement between Israel and the Palestinians. Israel could have normal relations with the majority of Arab states upon accepting withdrawal from the Arab occupied territories in 1967. Elsewhere Shai Feldman and I have outlined the possible use of the Arab initiative in supporting the Road Map process. (Ecopolitics: Changing the regional Context of Arab-Israeli Peace Making, Harvard University, August 2003).

The sixth asset is that an absolute failure of the peace initiative will mean a nightmare for the Palestinians and Israelis. After four years of futile warfare, both societies have lost opportunities for peace and for economic and social progress.

These assets are encountered with serious liabilities:

First, there is no trust left between the Palestinians and Israelis as a result of four years of intensive fighting that shattered the good will that was developed during the implementation of the Oslo agreements.

Second, there are active and highly potent minorities in both sides that are more determined to prevent a historical reconciliation between the Arabs and Israelis.

Third, other problems in the Middle East and elsewhere are always capable of distracting international attention from the peace process. The war on terror and the war in Iraq have put the Palestinian conflict away from the priorities of the international community particularly the United States.

Fourth, there is some sort of a diplomatic fatigue in the Middle East conflict. The failures of many diplomatic initiatives have created reluctance in the United States and even in Europe to invest the necessary political resources in the settlement of the conflict.

Fifth, American Presidential cycles always disrupts the working for peace in the Middle East.

The balance between assets and liabilities will be decided by the American strategic evaluation of the conflict and its centrality to other Middle East interests. These interests include success in Iraq, victory over terror, increasing the space for reform in the Middle East countries, in addition to all other traditional American interests in the region such as oil, security of Israel, and stability in the region.

As has been mentioned above, the United States and its partners in the Quartet should deal with the Arab-Israeli conflict as strategic conflict, in a highly integrated strategic area, going through uncertain transitional period with highly historical implications.

If that is the case, it has to be understood from the start that the Egyptian initiative is limited to bridge the current situation to the first phase of the Road Map. As Egyptian-American cooperation has been essential in all the previous successes of the peace process through out the 1990s, continued cooperation between Cairo and Washington is necessary.

Attempts to pollute the air between the two capitals at this stage, and in particular through using the Assistance program, or playing up a non-issue such as the Gaza tunnels, will not be helpful, and will shift the Egyptian-American dialogue away from advancing the causes of peace and change in the region. In fact, now is the time to appreciate Egyptian efforts on the Israeli-Egyptian borders and increase American help and assistance to Egypt in order to build a coalition of moderation in the region. This coalition will not be only instrumental in working for peace in the Middle East but also it will be a cornerstone for the rebuilding of the region.

More specifically, the United States and its partners could help Egypt in her efforts to bring this strategic objective closer by doing the following:

1. Make a commitment for the original Sharon Plan of clean disengagement and make it clear that the plan is part of the first phase of the Road Map. Subjecting Egyptian effort to the changing winds of Israeli politics will put in doubt the chances of Egypt's success, and even its continued engagement.
2. Support this commitment by a congressional bipartisan resolution that will make American policy in the Middle East less likely to be affected by domestic American politics.
3. Support an active international, and in particular European, security role in the areas that Israel will withdraw from, and convince Israel to accept.
4. Work out a formula for Palestinian legislative and Presidential elections and a referendum on a two state solution to the Palestinian-Israeli conflict. Such a process will help to give the PA the legitimacy it badly needs and isolate the extremists. And, do that soon enough before the support for the Egyptian initiative erodes.
5. Give material support and assistance in the rebuilding of Palestinian institutions particularly security ones.
6. It is important for the Palestinians to feel that a change is taking place in their lives and the Gaza first will not be Gaza last. Therefore, make sure to open the Gaza airport and the corridor between Gaza and the West Bank.
7. Ask Arab countries to restore their relations with Israel once the IDF withdrawal takes place from Gaza and to communicate to the Israelis in different ways their commitment to the Arab peace initiative.
8. Make preparations and consultations for the next phase of the Road Map particularly as related to the international conference which is responsible for starting the final status negotiations.
9. Create support for the Geneva accords in both sides through hearings, congressional missions, dialogues, and other tools.
10. Work out a formula that will deal with contingencies such as terror acts against Palestinian civilians and suicide bombings.

IV. CONCLUSIONS

There are moments in history that are more important than others are. They come usually after defining times that make what is after significantly different from what was before.

These defining moments came to the world and the Middle East after World War II, the end of the Cold War, and now after September 11th and the wars in Afghanistan and Iraq.

Now is the time to act to change the course of history in the Middle East, and the world. Failure to do so will be a submission to the law of nature. And, when nature takes its course all parties loose.

The beginnings of the loss are already there. Palestinians are deprived not only of their national goals but also from the basic needs of life. In fact, life has become not more rewarding than death. And, let me stray here from my line of thought to elaborate on this point. I might have been the Arab World's most vocal and consistent critic of the Palestinians' use of violence, and the particular tactic of suicide bombing.

I always thought that it is morally wrong, and politically harmful to a cause I believe is just. It is important to understand, though, that such acts are the result of a distorted mind and a desperate soul. Those minds and souls will not be cured by encirclement and punishment, if anything; this will most definitely lead to even worse kinds of behavior. The best antidote for this downward spiral and I am talking out of first hand knowledge, and a genuine desire for an end this spiral, is hope.

Israelis are not much better. Walls now surround the national dream of a safe and accepted homeland. Israel is increasingly becoming the largest ever-Jewish ghetto in history. Other regional powers are totally entangled in a conflict that so far resisted solutions, their national agendas are delayed and extremism is ready to attack.

It could be a dim future indeed. Now is the time to change this future. It is time for a long-term vision not a short term management of events. It is the time for strategy not tactics. It is the time to deal with history by creating a better future, not by eternally reliving the past.

The CHAIRMAN. Thank you very much, Dr. Said.

We would like to hear now from Mr. Miller.

STATEMENT OF AARON DAVID MILLER, PRESIDENT, SEEDS OF PEACE

Mr. MILLER. Mr. Chairman, first, let me thank you and Senators Biden and Chafee for the opportunity to present here today, as well as other members of the committee. With the possible exception of the outcome of American policy in Iraq, there is no more important issue to American credibility and interests than the pursuit of Arab-Israeli peace.

Over the course of the last 25 years, I had the honor to serve as an advisor to the last six Secretaries of State on Arab-Israeli negotiations, including until January of last year for Secretary Powell.

During the course of these years, I developed a profound faith in three basic propositions. I believed in them when I started. I believed in them when there was a peace process worthy of its name, and I believe in them now when everything we have worked to achieve lies broken and bloodied somewhere.

First, there is an equitable and durable solution to the Arab-Israeli conflict. There is no perfect justice but there is one that meets the needs and requirements of all sides.

Second, the only way to achieve this solution is through a flawed and imperfect process of negotiation, negotiation based on a balance of interests, not on an imbalance of power.

And third, there can be no solution, even in an existential conflict, which the Israeli-Palestinian conflict very much is, without the engagement of the United States as a full partner.

I raise these tenets because they inform what you are about to hear from me and they informed the policies of my government during the course of the last 30 years. What I would like to do is offer six quick observations about Gaza disengagement and Amer-

ican reengagement with one cautionary note. Whether it is a second Bush administration or a Kerry administration, it is absolutely critical that the next administration begin to craft a serious and a sustained approach to Arab-Israeli peacemaking because Arab-Israeli peace is perhaps one of the few issues in the international system today in which three very important elements coincide for us: our national interests, our moral interests, and our capacity demonstrated over four decades to make a bad situation not perfect but to make a bad situation better. Six brief observations.

First, the focus on unilateralism, specifically Gaza disengagement, is a response to a structural crisis in the pursuit of Arab-Israeli peace. For the first time in a decade, there is no serious process of engagement between empowered Israelis and Palestinians. For the first time in a decade, there is no framework, no Madrid, no Oslo, no permanent status. And frankly, at the moment, zero chances of implementing the Road Map. For the first time in a decade, there is no trust and no confidence between these parties, and for the first time in a decade, there is no meaningful, serious and sustainable U.S. role as a third party.

Without over-dramatizing, I would argue to you that this structural crisis presents a huge challenge to the one instrument that has delivered agreements both between Israel and Egypt, Israel and Jordan, and a heroic attempt between Israelis and Palestinians, which has to date failed, and that is the notion of bilateral direct negotiations sometimes under U.S. auspices, sometimes without.

Second, as presently articulated, the chances for unilateral implementation of the Israeli disengagement plan are probably unworkable. At the same time, that plan represents the first serious, the most serious initiative undertaken by any party, including the United States, during the course of the last 4 years. It seems to me obvious that as a point of departure, as a reentry point—Dennis described it as a way station—back into a meaningful process, this disengagement should be the focus of everyone's efforts, but it is going to have to be modified substantially. In my written testimony, I point out four or five critical modifications that I suspect will have to take place if it is going to be implemented successfully and not leave in its wake more confusion, more trouble, more terror than currently exists at the moment.

Third, political realities and circumstances at the moment on both sides will contribute to the non-implementation of this particular initiative. On the Israeli side—and I am not under the constraint that my colleague, David Satterfield, is under, although I am under certain constraints—it seems to me a political center will have to emerge. I am not going to define it whether it is a national unity government, whether it is an expanded coalition in some way, shape, or form. Oddly enough, the people of Israel are well out ahead of their politicians in this regard, and it may well be for the first time in a decade that that popular will can express itself. But there is going to have to be a political center capable of implementing unilateral disengagement.

On the Palestinian side, there is either going to have to be a reckoning, which I doubt is going to happen, or some form of *modus vivendi* or reconciliation between Fatah, the dominant secular

movement, however divided it may be, and Fatah's Islamists and secular opponents because what has been lost these many years—and if you really want to talk about the true Palestinian transgression, it is not Mr. Arafat's refusal to accept what was offered at Camp David. It was not. It is the willing acquiescence in the loss of the monopoly of the forces and sources of violence within Palestinian society. Whether you are the District of Columbia or the State of Ohio or the United States, you must preserve control of the forces and sources of violence within your society. Otherwise you have no credibility with your own constituents and certainly none with your neighbors. That monopoly on force and violence must be reacquired.

Fourth, because nothing ever happens quickly between Israelis and Palestinians, unilateral disengagement in my view will remain, however serious the preparations for it, a virtual initiative until some time in 2005. Whether it is early, mid, late is unclear. Our Presidential elections, as they often and usually do, will delay matters further, and I doubt frankly whether the administration will be prepared during the next 3 or 4 or 5 months to raise its profile, nor I suspect will this issue, that is to say, the issue of Arab-Israeli peace, become a significant topic of debate, serious debate, within the campaign for a variety of reasons.

In the interim, that is to say, between now and the end of this year, there are things that we can do, but they are going to be modest because we do not have the moment for movement right now. Encourage the Israelis and Palestinians to discuss day-after scenarios. Continue to support the Egyptian efforts to forge consolidation among security services and also focus the Israelis on their responsibilities for dismantling settlements outposts and also to have a serious discussion with them on settlement activity.

Fifth, the next administration, whether it is a second Bush or a Kerry administration, as it crafts its approach to this issue, will have to deal with three realities, which are sad realities. I cannot change them. I wish I could.

No. 1, the Israel-Palestinian negotiation, unlike Israel-Egypt and Israel-Jordan, is not based on a balance of interests. Negotiations succeed when they are based on a balance of interests whether it is a good marriage, a good business proposition or a good friendship. When each party has their mutual needs and requirements met, negotiations succeed; when they do not, the negotiations do not succeed. Israel-Egypt succeeded because it was based on a balance of interests. Israel-Jordan succeeded because it was based on a balance of interests. Israelis and Palestinians, no. It was based on an asymmetry of power, hopelessly skewed. Palestinians wielded the power of the weak, which is a terrifying power. It is the power to acquiesce as the weakest party to a negotiation to say this is not my fault. This is not my responsibility. I can acquiesce in a range of behaviors, including suicide terror, because I cannot do anything about it. And Israelis, on the other hand, wielded the power of the strong, the capacity to act at will not in legitimate defense of their security requirements. No one is doubting or disputing that right. But in defense of a variety of policies, including land confiscation, settlement activity, housing demolitions, which do not contribute, frankly, to the security of the state of Israel, let

alone to the facilitation of the Arab-Israeli peace process. That asymmetry of power needs to be addressed.

Second, we are out of the age of heroic politics when it comes to Arab-Israeli peacemaking for now. Sadat and Begin, Rabin, Peres, King Hussein, Arafat in his first incarnation, the leaders capable of taking the existential decisions are not there now, and that is a reality which any American administration is going to have to deal with.

And finally, progress is likely to be slow and incremental but it will not come—it will not come—without a major initiative on the part of this government.

Finally, the elements that any next administration will have to consider:

One, make this issue a priority, make it a real priority, a Presidential priority, not that the President has to engage, but it has to be unmistakably clear that we care about this.

Second, empower a diplomat to work this issue creatively and actively. Whether it is the Secretary of State or a special envoy, empower that person.

Three, do serious diplomacy, 24/7 diplomacy. There is nothing wrong with the Road Map, but there are no benchmarks. There are no performance standards. There are no time lines. There are no monitoring mechanisms. It is not a dynamic document. We can make it a dynamic document. Difficult, but we can do it.

Mobilize Arab support. And I think that will be easier once we engage.

And finally, define a political horizon, not a Geneva agreement. Do not negotiate for the parties. But begin to craft non-threatening parameters about where we are going in this process.

Let me close with one brief observation. The stakes here are very high. There was a war in every single decade of the last century in the modern incarnation of the Arab-Israeli conflict, 1948, 1956, 1967, 1973, 1982. The 1990s came and went without a major Arab-Israeli war, and there was a reason for that. Under a Republican administration, you had Madrid with engagement. Under Democrats, you had Oslo, however failed a process it was. You had the Israeli-Jordanian peace treaty. You had serious Israeli-Syrian negotiations.

My real concern here today is that if this idea that negotiations cannot be used to resolve problems dies and if we, by a sin of omission or commission, contribute to that fact, then we risk surrendering the field to the forces of history. And if they could speak to you here today, here is what they would say. They would say we know how this conflict is going to end. We do. There is going to be one winner and there is going to be one loser. And no one who cares about American national interests, no one who cares about the security and well-being of the State of Israel, no one who cares about any sense of justice for Palestinians or Arabs can afford to court that kind of outcome.

Thank you very much.

[The prepared statement of Mr. Miller follows:]

PREPARED STATEMENT OF AARON DAVID MILLER

GAZA DISENGAGEMENT AND U.S. REENGAGEMENT IN ARAB-ISRAELI PEACEMAKING

Mr. Chairman, members of the Committee: it's an honor to have the opportunity to testify today on the pursuit of Arab-Israeli peace and American efforts to address the current Israeli-Palestinian crisis.

Over the past twenty-five years, I have had the privilege to serve as an advisor on these matters to the last six secretaries of state, including until January of 2003, to Secretary Powell.

During this period, I developed a profound faith in three propositions. I believed in them when there was a peace process worthy of the name, and I believe in them now when everything reasonable Israelis, Arabs, and Americans sought to achieve lies broken and bloodied:

1. There is an equitable and durable solution to the Arab-Israeli conflict—no perfect justice but one that can satisfy the needs of all sides;
2. This solution can only come about through negotiations based on a balance of interests not on a skewed balance of power;
3. There will be no serious negotiations, let alone solutions without the U.S. engaged as a full partner.

These propositions shape my testimony today just as they have shaped the policies of the U.S. government for the past thirty years. We cannot afford to abandon them; to do so means abandoning any hope for a solution and surrendering the field to the crueler and more impersonal forces of history and to continued confrontation.

I would like to use my time with the committee to share my observations of Gaza disengagement, what might need to be modified to make it succeed, and what elements a second Bush or a Kerry administration will need to consider if they undertake—as I hope they will—a serious and sustainable U.S. approach to Arab-Israeli peacemaking.

First, the focus on unilateral actions, specifically unilateral disengagement from Gaza, is an outgrowth of the profound crisis in the entire structure of Arab-Israeli peacemaking. For the first time in a decade, there is:

1. No serious negotiation between empowered Israelis and Palestinians;
2. No mutually agreed framework within which to negotiate—no Madrid, no Oslo, no permanent status parameters, and no chance right now for the road map;
3. No trust and confidence between leaders who are driven by zero sum game politics instead of common vision or for serious progress;
4. And no third party U.S. role to facilitate, bridge gaps, or defuse crisis.

Without over-dramatizing, what is now at stake is a threat to the very structure that delivered two successful peace agreements between Israel and Egypt and Israel and Jordan and a heroic attempt to produce a third between Israelis and Palestinians: bilateral negotiations—sometimes direct, often under U.S. auspices to reach agreements. Indeed, unilateral solutions without reciprocity are a dangerous precedent which will not resolve conflict, leave a thousand problems unaddressed, and could paradoxically demonstrate weakness and court terror.

Second, as presently constituted—and under prevailing political conditions among Israelis and Palestinians—unilateral disengagement is probably unworkable. At the same time, it's the most important idea proposed by any party in four years of confrontation. With substantial modifications, the Israeli initiative might be used as a reentry point for re-launching a serious interim Israeli-Palestinian negotiation and over time, reengaging in permanent status issues. Modifications would have to include:

1. A direct empowered Israeli-Palestinian dialogue. "Day after" Gaza withdrawal issues demands it;
2. A meaningful link in time and substance to the West Bank. Gaza first cannot become Gaza only;
3. Palestinian reciprocity. In the Middle East, giving requires getting. Even the current Egyptian effort to force consolidation of PA security services and a ceasefire reflects this;
4. The Arafat problem will need to be addressed;
5. Defining a political horizon. Even if it is fashioned as a set of commonly accepted principles, there needs to be hope of a broader political process. Here the U.S. role is critical.

Third, political realities and circumstances will need to change among Israelis and Palestinians if there is to be a serious political process.

1. On the Israeli side, either a National Unity Government or new elections will be necessary to ensure a political center capable of serious movement;
2. On the Palestinian side, either a reckoning or a reconciliation will be required between Fatah and its Islamic and secular opponents leading to a ceasefire and/or a monopoly by a centralized authority over forces of violence within Palestinian society.

Fourth, because nothing ever happens quickly between Israelis and Palestinians, unilateral disengagement will remain virtual at least until early in 2005. Our presidential elections will further delay matters as all sides await the outcome. And the political realities—Republican and Democratic alike—will ensure that the Administration does not raise its profile on this issue; nor that it emerges as a topic of serious debate in the campaign.

In the interim, during the remainder of the year, the best possible approach would be to try to:

1. Encourage serious Israeli-Palestinian discussions on Gaza withdrawal, particularly day after scenarios;
2. Continue to support Egyptian efforts to consolidate security services, promote inter-factional dialogue, and identify elements for a ceasefire;
3. Focus Israelis on their responsibilities for removing settlement outposts and launch honest discussion on West Bank settlement policies while focusing Palestinians on their obligations for combating terror and promoting reform;
4. Intensify public diplomacy in the region highlighting U.S. commitment to continue efforts to advance a two-state solution and to resolution of all permanent status issues.

Fifth, the next Administration will seriously need to consider how to engage on the Israeli-Palestinian issue. With the possible exception of the outcome of our efforts in Iraq, no issue is more critical to U.S. influence and credibility in the region. And there are few issues on which American national and moral issues coincide with something else: a demonstrated capacity to make a bad situation much better. Whatever approach the next administration adopts, three realities need to be faced up to squarely:

1. Oslo failed because unlike the Egyptian-Israeli and Jordanian-Israeli negotiations, it was not based on a balance of interests but on an imbalance of power. The skewed asymmetry in which Palestinians wield formidable power of the weak (abdication of security responsibilities and acquiescence of terror) and in which Israelis wield power of the strong (the capacity to create settlements and confiscate land) must be addressed and corrected;
2. The age of heroic politics and leaders in Arab-Israeli peacemaking is over for now. In the absence of leaders with vision able to bring along their constituencies, progress will be slow, incremental;
3. Even incremental progress will be unlikely without a much more proactive and assertive U.S. role.

Sixth, with a leadership role consisting of the following elements, the next Administration could transform the situation on the ground within six months and create an environment for serious negotiations, even over time, on permanent status issues:

1. *A real priority*: The President must make it unmistakably clear that the Arab-Israeli issue is a top priority and that the Administration is unified on the issue;
2. *High level attention*: Empowerment of the Secretary of State or a high level political envoy with the President's full confidence to assume 24/7 responsibility for this issue;
3. *Serious U.S. diplomacy*: The Road Map is an important instrument but it needs a third party as a driving force to create timelines, sequenced responsibilities, benchmarks, and performance standards with accompanying monitoring mechanisms;
4. *Behavior on the ground*: The parties must be focused initially on changing behavior on the ground: Palestinians on combating terror and violence, the Israelis on a freeze on settlements and related activities;

5. *Arab state support*: Only if we stand up will we get the support we need from key Arab states. That support needs to be directed at pressing Palestinians on security but supporting them as well politically and financially blocking funds and support for Hamas/Jihad; and reaching out to Israel with confidence builders as the situation improves;

6. Define a political horizon: re-launching negotiations on permanent status is not possible right now. But the U.S. in association with others can create a non-threatening political horizon that outlines general principles required for a negotiated settlement. This should not be a detailed blueprint (the parties need to negotiate that). But it should lay out parameters for resolution of key issues.

Finally, I would be remiss if I did not briefly allude to an issue of great importance to the United States and to this committee. Specifically, the challenge of dealing honestly with the image of America in the Arab and Muslim world and the need to generate more effort and resources to eliminate the misperception, confusion, and stereotype that now surround that image.

Seeds of Peace has been involved now for more than a decade in trying to promote understanding between Arabs and Israelis, Indians and Pakistanis, and Greek and Turkish Cypriots. This summer we will be running a new program called Beyond Borders which will bring young Arabs, including Saudis, Kuwaitis, Iraqis, Yemenis, Egyptians, and Jordanians, together with young Americans for two weeks of intensive dialogue. In the spring of 2005, the entire group will have a regional follow-up experience in Jordan. In the years ahead, I hope to be able to offer this experience to hundreds of young Arabs and Americans.

Mr. Chairman, these may well be generational conflicts, and we are in danger of losing an entire generation of young Arabs, Palestinians, and Israelis to forces of hopelessness and despair. We must do a better job of taking this generational challenge more seriously and invest the resources and legitimacy in efforts to promote better understanding among prospective leaders and publics.

The CHAIRMAN. Thank you very much, Mr. Miller.

Let me recognize Senator Biden who has a question because he has an immediate appointment. Senator Biden.

Senator BIDEN. Mr. Miller, you are as bright as your father. I am impressed.

I have one question. I have a lot of questions actually, but the chairman is kind enough to let me ask this one question. The North Korean Ambassador is in town, which is rare, and there is an agreement I made to speak to a group upstairs here in just a moment. I apologize for leaving.

Dennis, this will not surprise you. It may hurt your reputation. I agree with you completely, as usual here, in terms of the first incremental thing that has to occur. Nothing in private with Arafat matters. I have not been as deeply involved as you, but the chairman and I have been around doing this for over 30 years now, and I have seen nothing—nothing ever—that happens in private unless he believes there is going to be—and it is not just him, but we will focus on him for a moment.

What is your sense of whether or not this administration—and the reason I was not here for the beginning of your testimony is I was in the back making this same exact point privately to the previous witness. What is your sense of this administration's view that, among other things, the Europeans must communicate directly to Arafat their conditions, if you will?

And two, what is your sense of where the other Quartet members are in terms of their calculus as to whether they should or should not directly communicate what we have talked about to Arafat?

And third, what is your sense of the degree of leverage, if any, we have with our European counterparts in the Quartet to encour-

age them to take this, what would be uncharacteristic action relative to Mr. Arafat? Three parts of the same question actually.

Ambassador ROSS. I got it. As you can see, Aaron and I bring no passion to the subject.

Senator BIDEN. You bring a lot of light, though, both of you.

Ambassador ROSS. The administration I think is in fact communicating with the Europeans asking them to convey this message. I think that is a fact. Where it breaks down is a difference in view of Arafat. I am afraid that the other members of the Quartet, come November 3, will say, you know, what? We tried it without Arafat. You see it is a mess. Therefore, we have got to go back to him. So the kind of threat that you were suggesting should be made where you pick up the phone and you say, look, if you do not do this, you get no more support from us. We are going to cutoff all money and we are going to say this publicly. They are not saying that. They go to him in private. They say you should do this. There is never a consequence. As long as he knows there is not a consequence, then he is not going to change course.

What I am suggesting now is public postures on this can make a difference because you see what is happening—

Senator BIDEN. I agree with you completely, but why is it—I have had these conversations with the heads of state literally, not figuratively, of the countries in the Quartet, this literal conversation. A year and a half ago, I had the same discussion relative to Abu Mazen and their continued support for Arafat financially while Abu Mazen was out there flipping. And I get a blank stare. All I would get back, whether it is at the Foreign Minister level, Defense Minister level, parliamentary level, or occasionally at the head of state level, is our skewed policy. That is all I get back.

I never get a response that says, well, that is a good idea or a bad idea for the following reasons. I get the generic response, doctor, that you gave and I am not disagreeing with, that look, it is not all Arafat. He is the only one there. He is the choice of the Palestinian people and we should not interfere. I get non-answers.

Ambassador ROSS. Look, I think among the Europeans there has been what only can be described as a kind of political correctness when it comes to Arafat. He is the embodiment of a national liberation movement. The Palestinians are perceived as the victims. By the way, they are the victims, unfortunately, largely the victims now of what he is doing. But they have been the victims historically. There is no doubt about this. But there is a built-in sympathy.

If you go back to first assumptions between us and the Europeans, basically—it is an oversimplification, but I am doing it for effect—we tend to look at the conflict through the lens of the absence of the real acceptance of Israel, which therefore justifies terror against it in the eyes of the Arabs. The absence of the moral legitimacy of Israel makes it difficult to justify compromise and makes it easy to justify terror and violence. So we see that and we say you have got to address that.

The Europeans have a way of looking at this and they see it not through that lens, but through the lens of the Palestinian victimhood. And they say, look, the issue is the Palestinians are victims, and when you end the occupation, everything will be fine.

They pay a kind of lip service to the issue of Israeli security. They say, yes, Israel should have security, but that is it. It is a slogan.

So there is a divide there and there is a kind of political correctness that gets reflected in their approach.

The fact that Palestinians themselves are expressing, as I said, unfortunately the only way they have right now, their real disenchantment with the current situation gives us a basis.

There is one other point. You asked what could give us the means to make a difference. There is a paradox here. When I was negotiating, the Europeans used to always come to me and they used to say, you got to cut us in. And I would always say, I am not keeping you out. It is the Israelis and the Palestinians who are keeping you out because they do not see you having much effect.

The last 3½ years, you have had an administration that basically gave them a perfect opportunity to come and play a fundamental role because the administration was not. Now, they found out they could not because basically they are not able to affect Israeli behavior, and the Palestinians know that as well.

Now, the paradox is that the administration's readiness to play an active role is a lever. If Europeans want us to be involved—and they do—then I think one of the things we say is here is what we need from you. I would like to see the administration use that lever, and I have not seen them use it as much as I would like to see them do it.

Senator BIDEN. Thank you very much. Thank you, Mr. Chairman, for allowing me to go out of order. I thank the witnesses.

The CHAIRMAN. Thank you, Senator Biden.

Senator Chafee, do you have a question?

Senator CHAFEE. No. I am good. Thank you.

The CHAIRMAN. Very well.

Let me begin just by sketching what you all know because you are veterans of the trail in terms of American diplomacy. Many commentators have indicated that the United States foreign policy began anew after 9/11, 2001. There were fairly large sections of the world in which we had Ambassadors and we had interests, but in terms of extensive activity, this had fallen off in large part because of disinterest among the American people. In fact, one can trace, sometimes simplistically, back to Somalia and the abrupt withdrawal of Americans from that area, or even from Haiti in our own hemisphere, as times in which public opinion by and large seemed to be saying that people are going to have difficulties, and they have had them historically for a long time. But the thought that the United States should be involved in nation-building, or attempting to adjudicate these disputes, attempting to intervene boldly, is interesting for people interested in foreign policy like ourselves. We hold hearings and discussions about this, but my constituents say, we are real people. We are doing our work, raising our families, farming, manufacturing, and that is what we are about. Leave us alone. The taxation upon us is substantial as it stands. If you get us into wars, and we lose lives, and we lose our young people, and we become disillusioned, and so forth, that is a bridge too far.

Now, bit by bit, perhaps because of our involvement in NATO, as difficulties occurred in the Balkans, we began to edge up to the

shore again, only very reluctantly. I can recall, as you can, taking trips on behalf of the administration in a bipartisan way, visiting with people in the area, trying to establish what might be doable. Europeans were unwilling to assume the responsibilities we thought they would. The first George Bush indicated with relief that Europeans were prepared to take care of the situation in the former Yugoslavia, but ultimately they were not. They said, we cannot. It comes down to the United States. This is a point which many of you made today in one form or another. We cannot make it. If NATO and Europe and the rest of us are to have a better time, you are going to have to intervene and do so with a good bit of resources, including personnel at risk.

Now, I do not want to trace things unduly country by country, but this has been a very difficult process for the American people and for the Congress.

Suddenly after 9/11, within 2 weeks, Secretary Powell comes to members of this committee, meeting up in S. 407, and says, you have to lift immediately all the sanctions against India and Pakistan. Members who had been busy debating this for a long time, and levying sanctions because of the military dictatorship, or because of nuclear weapons-building, or very valid reasons, said, all of them, and forever? And the Secretary said, yes, both. It is a new situation. Then he goes through a list of other new situations.

This is a radical readjustment. No way that that could have occurred, the repeal of all of this in one afternoon, or the next week, or so forth, without the threat that had come to our country, and the actuality of loss of life and institutions.

Now, I mention this because in the case of the Israeli-Palestinian situation, there have been Americans—you are among them—consistently all the way through, who have said this is very important. America has to be involved. America has to be credible. Other people may not stay the course, but we must. And by and large, that has stuck through several administrations, although it has not called for American troops to invade the area, to occupy. We have not been involved in physically bombing the territory, killing people, and destroying institutions. The thought has always been that diplomatically, given the authority we have, we could make a difference in the situation. Indeed, perhaps some day we will. You are trying to outline, at the behest of this committee today, how we might do so fairly promptly.

As we started the hearing, we said that we did not accept the beginning of the year. This is just a year of time out. We had Secretary Powell, among others, testify. You, Ambassador Ross, were there for our first go at this early in the year. It was an important hearing, in which many people on our committee and perhaps in the rest of our body gained insights.

I mention all this because we are now at a point in American life in which many Americans would say, what are our priorities? One clearly is still the war against terrorism, the fact that people who were educated and organized somewhere else in some other country came to the United States and attacked us and destroyed Americans and property here. Second, we are worried in an existential way about the intersection of these people with weapons of mass destruction. We do not know which form this might take,

whether piecemeal with a dirty bomb, or with a nuclear weapon, or in some unusual formulation, but nevertheless a lot of people would be killed in one incident, a huge number in this country, quite apart from anywhere else. So these are high objectives.

We have had hearings in the last month in this committee in which we have explored North Korea and Iran, to take two. In both cases, there is clearly a will to build weapons of mass destruction, a question of how far those situations have gone, and a question of how far they will go. Do they complete the task? And do we take military action in the meanwhile, or do we not? Do we get allies on board or are they anywhere around? This is not clear. Given the stretch of American forces in Iraq, the re-upping of reserves who have gone home because we are so dependent upon reserves now, quite apart from permanent personnel, how do you handle the situation? These are basic issues, quite apart from the many other issues of American foreign policy. We have very great stakes in terms of security.

Now, it is on top of all this that we come back today to Israel and Palestine. As you pointed out, Ambassador Ross, you said there is no peace process now. There is constant deterioration. Well, that is not very promising.

Senator Biden, in his questioning, asked, fair enough, how active is this administration? How busy are they with this? Well, the answer was that they are busier some days than others, and on some occasions they are probably wondering literally what kind of intervention would make any difference that day.

Having said all that, our committee remains optimistic that there is a way, that in fact American leadership is important, that American people will support constructive efforts.

You have used, and I have, too, the word "existential" today. I have a nagging feeling, as I listen to these hearings, that a great many persons—I will not say nation states—but persons, groups, cells, whatever—in the vast Middle East have not accepted for one day the thought that Israel should be a state and should be there. This may be the case, and this may be widely felt. Maybe it is not. It may be a small minority viewpoint, overwhelmed by a vast amount of good will, which is not observable. Is the situation one in which we are going to climb up the hill every year, about this time, simply because in an existential way there are a lot of people who say Israel does not deserve to be here? They ought to be wiped out of here, and by golly, we have the staying power, the ethic, the morals, the religion, whatever, that says they ought to go. And the Israelis say correspondingly we are not going. Believe us. We will arm ourselves. We will gain the allies that are required. We are going to be here.

Now, we can dance around forever, debating withdrawal or not withdrawal, the conditions or so forth, but on this basic issue, how do we come to grips with this? We work fine in terms of a broad sense. The President is talking about democratization of the Middle East and programs that might help, as well as changes in the public school system so that there will not be reliance by default on the madrassa schools, and a lot of other things that may make a difference despite great resistance from Arab countries that de-

clined to come to Sea Island, and that say, you are preaching to us.

So we try to devise ways. I have offered the thought of a large trust fund in which people can make applications for support for democracy and so forth. Maybe something of this sort might be constructive. But this is tough going in terms of a broad group of people out there who may or may not want to have peace, who may not support for a moment the diplomacy of any of the three of you.

Can any of you offer some sustenance to keep our hearings going, in particular as to why there could be a change in this predicament?

Mr. Miller.

Mr. MILLER. Yes, let me try. But I think it requires abandoning certain illusions, and I would argue that I was at the top of the list in harboring the first.

We think in terms of administrations. That is the nature of our political clock, and that is completely understandable. But I think the perspective from the region is not a perspective measured in administrations. It is a perspective measured in generations. And in an existential conflict, literally the stakes are physical and political survival of small tribes, and in the words of one great Lebanese historian, great powers meddle in the affairs of small tribes at their own risk.

This notion that we have a generational conflict which is going to take years to resolve is something we as Americans resist instinctively. I resisted it. I am sure Dennis did for the 20-plus years we were engaged in this effort. But it is a reality. The Arab-Israeli conflict evolved in phases over time. It can be resolved in my judgment, but only in phases over time. That does not mean time is an ally. It is an adversary. It is an absolute adversary, but we have to be in this for strategic reasons with a constancy, a continuity, and a commitment that takes into account the generational nature of change.

One additional comment. Because it is a generational conflict, we need to start thinking much more seriously and much more creatively about what is happening to the young generation, the so-called next generation. We are in danger of losing an entire generation of young Arabs, Israelis, and Palestinians to the forces of hopelessness and despair that have now defined their lives. Building leadership, the organization that I am running is a premier example of this, trying to reach out, doing transformational diplomacy, not just transactional diplomacy, not just conventional diplomacy. But you want a strategy? You do transactional diplomacy. The United States gets involved, but you also do transformational diplomacy. You invest. You legitimize these people-to-people programs. You develop leaders and you develop public constituencies. It will not solve the Arab-Israeli conflict overnight, but it will create an environment in which perhaps the chances of resolving it will increase.

The CHAIRMAN. I appreciate that answer very much, and I want to hear each of the rest. But let me just say that I approach it on the level of our inquiries about why the United States is disliked so much by so many people in the area. Whether it is the Pew Poll or others, country after country, there is very little going for us,

quite apart from the feeling about Israel. This really demands a public diplomacy response with something much greater than that. You were talking about developmental change, or hope for the youth over a long period of time. This might be a kind of bold thinking that will not be specific to Israel and Palestine, but I would agree with you that it is pretty fundamental to maintain perspective having a sense over generations of existential change in light of the fact that the countries are likely to be there.

Yes, Dr. Said.

Dr. SAID. Thank you.

I once was asked in Israel—I was on a visit in Tel Aviv University and I was asked when really you guys, the Arabs, accept us, accept the Israelis. What we have is an arrangement. We have peace. We have settlements, but accepting is a very psychological, historical, emotional reality.

My answer was the following. I said when we both meet two conditions. One, when Israel stops being an exceptional state. When we think of Israel like we think of Libya or Qatar or whatever, many of the Middle East states are new, and we never thought if Libya is a state or not. That needs two efforts, one on our part not to consider the Israelis as exceptional in history and having a state and so forth, but also when the Israelis themselves think they are not exceptional. They have only a security problem. They only need nuclear or other weapons. They have to be dealt with on completely different standards.

I have been educated here in the United States, and I know the legal powers of the judiciary, of the codes. The legal thinking in this country is very big and powerful. But I found listening to International Court of Justice with a little bit of scorn and disdain, that is exceptional. That is very exceptional. If any court that said what it said regarding something in Costa Rica or in Mali or wherever, I think the American listening to the resolution will be different. That is the point I am making, Israel to stop being exceptional.

No. 2, I told them you will be loved in the region when the region knows that it will be better off by your existence than your absence. And I gave a reason. Israel is a very unique experience. The only closest historical example to it is the case of Singapore, which you have Chinese settlers who moved from the Chinese mainland, established a state that was part of Malaysia, but then became divided and created it. It is a Chinese island in a kind of Malay, you know, like being in the Arab world. But Singapore over the years, because of its innovation, because of its economic vitality, actually was leading in many ways the good things in Southeast Asia.

Those are the two conditions, and I believe they are possible.

I cannot leave the microphone without just one note on why they hate us. I do not think the people in the region hate the United States. They have a major problem with the legitimacy of what it is doing. We have an irony in the Middle East. The irony in the Middle East is that we have new states with new institutions. Legal traditions are not big yet. But we have a belief in the order, in the legitimacy of the order. It is being disappointed. I believe that is characterized. Now, people see American movies, their first

choice of emigration. At least among the elite, who scorn many of the United States' action, but it is the issue of the legitimacy.

And I believe basically that many of the United States' actions are legitimate in many ways, but you have a serious problem always if we are not sure in the Arab world, in particular, that we are listening to the United States. Sometimes, at least strongly probably, we are hearing the echo of somebody else.

Thank you.

The CHAIRMAN. Thank you, doctor.

Ambassador Ross.

Ambassador ROSS. I will make, I guess, three points in response.

First, to deal with the essence of your question, which when you go through it, you are basically asking why should it matter to us. We have got a lot of other things that confront us that are more immediately threatening. Why should it matter to us?

We will take a step back. The first thing we have to bear in mind is that the measure of diplomacy is not always what you achieve. Sometimes it is what you prevent, and a more active diplomacy, if it prevents a war, is keeping a problem that could confront you later on off of the immediate perspective that you have in mind.

Second, one of the things that is very interesting in the polling right now among Palestinians and Israelis is the parallelism. Both sets of polls are schizophrenic. With Palestinians, you will see they want peace, they want an end to the violence, and at the same time, the same percentage, 75 to 80 percent, will support a continuation of suicide attacks. How do you explain it? On the Israeli side, you find up to 75 percent want to get out of all the settlements, not just the unilateral, and at the same time, they will say we are not being tough enough with the Palestinians. Both are angry and fearful and disbelieving in the other, and yet both want the conflict over.

The mainstream of the Palestinians would like to see this conflict end, and I do not just say that based on the polling. I say it on what has been a very long experience dealing with a very wide spectrum of Palestinians.

In the rest of the Arab world, I think this issue remains a source of grievance. It is an injustice in their minds that has not been addressed and it should be. But the fact is if the Palestinians were satisfied, they would be fine. They would be fine to say it is over. We are glad it is over. They are not looking to perpetuate it.

There is a concern about the effect of the last 3 years, and I think Aaron is absolutely right on this point. If you look at the youth on both sides right now, it is very disturbing. When I talk to some of the younger Fatah activists who were responsible for the first intifada, they tell me one of the reasons they are motivated now to try to end this is because they are afraid of what is happening to the next generation, that they are losing sight of what is actually in the Palestinian interest, which is living in peace with the Israelis. So the longer you let this drift, the more you are going to face that problem, and the more you face the problem of the next generation changing, the more it will infect the rest of the region and make that sense of grievance worse. And this gets me really to the last point.

If tomorrow the conflict were to disappear, we would still have a war on terror, but we should not kid ourselves. In the Israeli-Palestinian conflict, the Palestinian sense of grievance is an evocative issue in the Arab world. It certainly mobilizes passions. One problem that we have today is we do not look like we care about it. The more you look like you disengage, the more it looks as if you just do not care. So here is something that they care about and we do not look like we care.

Diffusing it, because I do not believe you can solve it right now—I think you have to diffuse it before you can solve it—will at least take away one of the recruiting tools that is used that plays upon the anger that exists in the region. You have got a region with a lot of angry younger people. This is one source of the anger but not the only one. If the conflict disappeared tomorrow, you would still have anger. But at least you take away one of the symbolic recruiting tools, and if you reduce the recruiting tools for those who are engaging in terror, we are going to be better off.

The CHAIRMAN. Well, I appreciate those responses, as well as the other remarkable oral comments that you made, in addition to the written testimony that will be published in full, as I indicated early on at the outset of this hearing.

I believe that the hearing was important not just for those of us who are privileged to be here as members of the committee, but likewise as an indicator, much as you have just expressed, that this is a high priority for America. We are doing the very best we can to think through as Americans how we can be most constructive. We are doing so in the midst of a political campaign in which many members of the committee are engaged. One of our members is a candidate. So this is not merely a lofty academic subject. There are important stakeholders, and you are clearly among them by virtue of the commitment in your lives.

We thank you very much. The hearing is adjourned.

[Whereupon, at 12:21 p.m., the committee adjourned, to reconvene subject to the call of the Chair.]

